

2023-24 Trademarks Developments

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I. Recent USPTO Administrative Developments That Affect Your Practice.

A. Fee Changes.

1. Key Takeaways.

- a. Initial mark-registration application filing fees will almost always become substantially more expensive because of a surcharge or using a custom-crafted description of goods/services. Also, using a goods/services description in a class that exceeds 1000 characters will also create a surcharge.
- b. The total filing fees for maintaining (i.e., renewing) a federal trademark registration rise significantly.
- c. The letter-of-protest filing fee triples to \$150. This is a powerful tool for fighting problematic mark-registration applications filed by others, so it's still a bargain.

2. The Proposed Trademark Fee Increases. These are the most important fee increases. Each of these is for electronic filing. Filing on paper has higher fees.

Description of the Fee	Current Fee	Proposed Fee	Amount of Increase
All registration and maintenance fees are per class.			
Base application	\$250 (TEAS Plus) \$350 (TEAS Standard)	\$350 (no longer two different TEAS options)	\$100 (over TEAS Plus)
Surcharge for using free-form text box to enter description of goods/services	n/a	\$200	n/a
For each additional 1000 characters in the goods/services description beyond the first 1000 characters	n/a	\$200	n/a
Fee for insufficient information	n/a	\$100	n/a
Amendment to allege use	\$100	\$150	\$50
Statement of use	\$100	\$150	\$50
§8 Declaration	\$225	\$300	\$75
§9 Declaration	\$300	\$350	\$50

§15 Declaration	\$200	\$250	\$50
Usual year 5-6 maintenance filing (§8 plus §15)	\$425	\$550	\$125
Usual year 9-10 maintenance filing; also applicable to every 10 th year maintenance filing (§8 plus §9)	\$525	\$650	\$125
Petition to revive an application	\$150	\$250	\$100
Letter of protest	\$50	\$150	\$100
Petition to the Director (e.g., petition to make special – expedite application examination)	\$250	\$400	\$150

3. Online Resources.

- a. USPTO webpage containing its updates regarding trademark fee setting. Scroll down to “Latest trademark fee setting information.” <https://www.uspto.gov/about-us/performance-and-planning/fee-setting-and-adjusting#tmfee-info>
- b. USPTO request for comments on proposed trademark fee changes for fiscal year 2025, issued March 25, 2024: <https://content.govdelivery.com/accounts/USPTO/bulletins/392080>

4. When will the New Fees Take Effect? The USPTO said it intends for the new fees to take effect during the federal fiscal year 2025, which begins on October 1, 2024. The USPTO issued a notice of proposed rulemaking on March 25, 2024. We don’t know when the final rules will be issued or what the effective date will be of the new fees. Most likely, there will be a significant gap between when the final rules are issued and when the new fees take effect – probably several months. This proposed fee increase is running slower than the USPTO initially advertised.

5. Massive Increase in Filing Fees.

- a. Single Form for Initial Applications. Presently, when filing an initial mark registration application, you can choose either TEAS Plus (\$250 filing fee per class) or TEAS Standard (\$350 filing FEE

per class). The primary difference between the two is, using TEAS Standard, you can enter a custom description of goods/services. With TEAS Plus, you have to choose from the **ID Manual** (a menu of acceptable goods/services descriptions). Now, there will be a single application with a \$350 filing fee, and a surcharge for custom goods/services descriptions, described below.

- i. Increased Cost of Custom Goods/Services Descriptions.
There will be a surcharge of \$200 per class for not using the ID Manual.
 - (a) Effect. Careful trademark attorneys frequently customize or custom craft goods/services descriptions to fit a client's situation. That will raise the cost in such situations to \$550 per class.

- ii. New Surcharge for Long Goods/Services Descriptions. The USPTO added a fee of \$200 per class for goods/services over 1000 characters per class. This fee will be \$200 for each block of 1000 characters per class in excess of the initial 1000 characters per class.
 - (a) Example: You file a description of goods/services that has 2900 characters in a single class. Your base filing fee would be \$350, and you would pay an additional \$400 for characters 1001-2000 and 2001-2900. That would create a total filing fee in that class of \$1150. If this class description contains any custom language (i.e., you add language beyond using items in the ID Manual), there will be an additional charge of \$200, raising the filing fee for this class to \$1350.
 - (b) Effects:
 - (1) Forces Focusing. This surcharge will cause attorneys and their clients to focus on the true nature of the goods/services being branded rather than listing everything from the ID Manual that is somewhat related to the goods/services.
 - (2) Beneficial: Taxing "Kitchen-Sink" Applications. This is intended to attack the "kitchen-sink" applications frequently filed through section 44, which is a way of

obtaining a U.S. mark registration based upon registration in another country. This change is sorely needed because, usually, these bloated goods/services descriptions contain many goods/services upon which the mark is not in use. When these items become registered, they wrongfully block legitimate mark-registration applications filed by others.

iii. “Insufficient Information” Surcharge – For What? The USPTO says it may add a surcharge of \$100 per class for “submissions of incomplete applications (other than applications denied a filing date for failure to satisfy the requirements under 37 C.F.R. 2.21.) It’s not clear how this will work or what things typically would trigger such a charge. I think the USPTO would use this to attack insufficiencies in these areas: listing the name, address, and email address of the applicant; listing the goods/services; and providing a clear drawing of the mark if it contains design elements (rather than being words-only). Except for the drawing of the mark, that other information is provided in mandatory fields, so it’s impossible to make a filing without completing those things. If your application is for a words-only mark, you just type the mark into a box, so that can’t create a problem with an insufficient drawing. Thus, the insufficient-drawing issue perhaps only concerns logos, which you submit by uploading a JPEG file. You can file a logo drawing that doesn’t meet USPTO technical requirements. It will warn you about that but allow you to complete the filing. Perhaps this fee would be imposed when the drawing is insufficient. But how will the USPTO collect the fee? It won’t know to collect the fee at checkout. Would the fee be required to be paid in a subsequent office action?

b. Higher Cost of Proving Use of the Mark.

- i. The cost to file an Amendment to allege use (“AAU”) will increase from \$100-\$150 per class. An AAU is where you prove use of your mark after you file your initial application but before it goes through publication.
- ii. The cost to file a statement of use (“SOU”) will increase 50%, rising from \$100 to \$150 per class.

- iii. These fee increases significantly increase the cost of filing intent-to-use (“**ITU**”) applications instead of on a use basis.
 - (a) A common practice is to file ITU even if the mark is in use to get the application filed quickly rather than waiting for the client to find proof of mark usage. Also, filing proof of mark usage with the initial application sometimes increases the chance of drawing a substantive-rejection office action.

- iv. WITHDRAWN BY USPTO – Increase in Later Extension Filing Fees.
 - (a) Once you are issued a notice of allowance (“**NOA**”), you have six months in which to prove usage of your mark. You can purchase extensions in six-month increments. You can purchase up to five extensions; if you do so, in theory, you can extend your time to prove use of your mark up to three years following the notice of allowance.
 - (b) Presently, the fee for a six-month extension is \$125 per class. The USPTO proposed raising it to \$250 for the fourth and fifth extensions, but it withdrew this proposal after pushback from the Trademark Public Advisory Committee.

- c. Letter of Protest. A letter of protest will rise from \$50 to \$150.
 - i. A letter of protest is a critical tool in defending your mark on the trademark register. You can use it to point out to the trademark office a registration that you think should block a pending application. If successful, the trademark-examining attorney will cite your registration as blocking, which means the examining attorney will do the initial work in trying to stop the application, which saves you from spending attorneys’ fees to fight it through an expensive opposition proceeding. Even at \$150, a letter of protest is by far the most inexpensive way of attempting to stop a problematic mark-registration application filed by a third party.

- d. Maintenance Filings. The cost of maintaining a mark registration continues to rise.

- i. The cost of filing a combined section 8 and section 15 renewal will rise by \$125, to \$550 per class.
 - (a) You have to make a section 8 filing between the fifth and sixth year to keep your registration alive. That fee increases \$75, from \$225 to \$300.
 - (b) If, during the time of initial registration, you have continuously used your mark and (essentially) your use of the mark has not been challenged by a third party, you can also file a section 15 affidavit, which gives your mark “incontestable” status. “Incontestable” is not as bulletproof as it sounds. The fee for that increases \$50, from \$200 to \$250.
- ii. The combined cost of filing a section 8 and section 9 affidavit will rise by a collective total of \$125, for a total of \$650 per class. You do this renewal in the year before each 10th anniversary of registration (i.e., between the 9th and 10th year, between the 19th and 10th year, etc.). You have to make both filings when renewing between years nine and 10 and at each 10-year interval thereafter.

B. New Search Builder Feature in Trademark Search System

1. Key Takeaways.

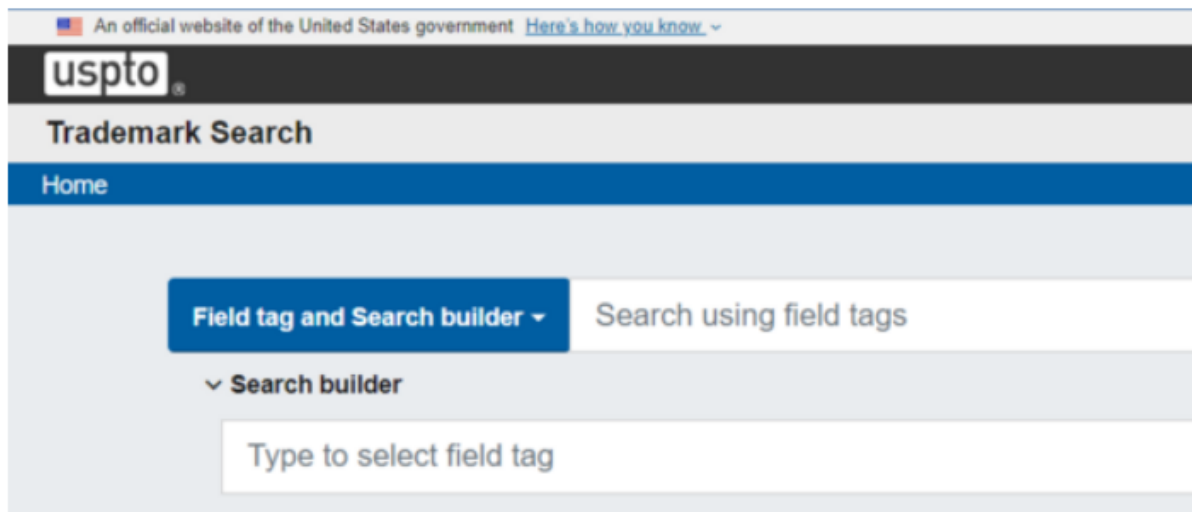
- a. In May 2024, the USPTO launched a trademark search builder feature in its trademark search system. The system makes it easier for inexperienced users of the trademark search system to search by field tag without mastering the search syntax of the trademark search system. This is the USPTO announcement of the feature: <https://content.govdelivery.com/accounts/USPTO/bulletins/39cf852>
- b. Search Builder makes more targeted searches possible without learning complex Trademark Search System syntax. Example - Searching marks containing certain words with goods/services in certain classes.
- c. Search Builder does not enable looking for phonetic equivalent and near equivalent marks.
- d. When conducting final clearance, consider the malpractice exposure of using a search service (e.g., CompuMark, Corsearch) versus doing it yourself. If the search service misses a crucial

mark, you, the lawyer, probably bear no responsibility for that admission. If you miss the crucial mark due to not crafting the search syntax well, then there may be a malpractice claim against you.

2. How to Access Trademark Search Builder.

- a. Navigate to “Trademark Search” from the drop-down menu on the top page of the USPTO.gov website.
- b. From there, you can select search builder as one method of searching. This graphic from the USPTO page introducing the feature explains how to access it:

The search builder is a middle ground between searching with the drop-down menu and searching by field tag. This means you can create complex searches even if you’re still learning search syntax.



To use the search builder:

1. Select **Field tag and Search builder** in the drop-down menu.
2. Select **Search builder** to reveal it.
3. Select the field you want to search.
4. Enter your search term.
5. Click **Build**.
6. Refine your search by adding more criteria.

3. How Useful Is It? It enables people lacking experience or training in the new trademark search system to combine search fields without understanding the new syntax. For example, if you want to look for live

applications containing a certain word in the mark in a certain word in the goods/services description, it allows you to combine those three fields of one search. That's useful. Yet, search builder does not enable one to capture the full range of things that can be done by knowing the syntax. First, while the list of field tags is available in a drop-down menu, the precise meaning of each field tag may not be evident to the user (e.g., the difference between "combined mark" and "word mark"). Also, when entering custom syntax, you can use various symbols to search for spelling varieties of words (e.g., COLOR vs. COLOUR, PROGRAM vs. PROGRAMME).

4. Trademark Search System Training Webinars. The USPTO regularly offers webinars providing training on how to use the trademark search system. More information here: https://www.uspto.gov/about-us/events/federal-trademark-searching-webinar-series?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=

C. **Trademark Center – Beta (“TCB”) Has Arrived**

1. Key Takeaways.
 - a. TCB will replace the current USPTO online trademarks filing system – TEAS.
 - b. TCB enables a firm or organization to share drafts of pending mark registration applications electronically prior to filing. Presently, sharing can only occur between an attorney and non-attorney support staff. The USPTO says it will eventually expand this functionality so that you can share drafts with other attorneys in your firm or organization (who might make their own USPTO filings) and expanded to support registration maintenance filings.
2. USPTO Webpage for TCB: TCB will eventually replace the TEAS filing system. (At that point, it will no longer be Beta, so it will just be the “Trademark Center.”) Here's the USPTO's explanatory webpage for TCB: <https://www.uspto.gov/trademarks/apply/trademark-center>. The page contains information about TCB's capabilities, its current, new, and upcoming features, and training opportunities. It also contains videos providing information about TCB.
3. Sharing Draft Trademark Filings with Staff – the Most Important New Feature. TCB enables a U.S.-licensed attorney to share drafts of USPTO trademark filings with others in his firm or organization.

- a. With Whom Can You Share Applications?
 - i. Sharing With Support Staff Credentialed with the USPTO. In order to do so, the support staff must have a myUSPTO account and go through the verification process. A few years ago, the verification process was established as one of the procedures to fight against the filing of fraudulent trademark registration applications.
 - ii. What About Sharing with Attorney Colleagues? You cannot currently share a draft filing with another U.S.-licensed attorney in your firm or organization. You are limited to sharing with non-attorney staff (e.g., paralegals). Thus, for example, you would not be able to share a draft filing with an attorney colleague in your firm or organization – at least not one with his own myUSPTO account.
- b. Sharing Drafts – Don’t Lose Your Work. In TCB, you may share drafts with individuals in your organizations that you have linked to your account. When you send over a draft filing, it becomes available to the person to whom you sent the draft to work on. You can recall anything you send even if your colleague has not bounced the draft filing back to you. IMPORTANT – if you recall a draft filing, it appears that any work entered by your colleague will be lost and you will get the application back in the form in which you sent it. Thus, communicate with your colleague before recalling a draft to avoid losing work.
- c. What Kinds of Trademark Filings Can You Share?
 - i. Presently, you can share only TEAS Plus and TEAS Standard applications. As noted above in discussing USPTO trademark fee increases, the USPTO is moving to a single initial application form (rather than Plus and Standard).
 - ii. You cannot yet share applications for registering marks on the Supplemental Register or applications for certification marks.
 - iii. You cannot yet share registration-maintenance filings (e.g., §§ 8, 9, and 15).
- d. You Cannot Yet Populate into TCB Issued Registrations in Which You Are The Attorney Of Record. I can see my applications and

registrations in which I am counsel of record in myUSPTO. Yet, in TCB, when I click on “my trademarks,” it states, “Only applications filed in Trademark Center are available in My applications and registrations. Don't see your application here? Try searching your serial number in TSDR.” Presently, you cannot look up pending applications and issued registrations in TSDR and then import them into “my trademarks” in TCB. Then again, because you can't yet share work on maintenance filings in TCB, this isn't a substantial drawback yet.

4. Other Functional Advancements over TEAS. The explanatory page for TCB (link at the beginning of this section) lists other improved functionality. These appear to be minor improvements.
 - a. Interesting Improvement – Status Tracking? One improvement looks interesting: “status tracking in a new filing docket.” The explanatory page does not provide more information. I speculate that this is a place where you can track the status of applications you filed through TCB. The page doesn't indicate if or when you would be able to track applications and maintenance (renewal) filings for marks not initially registered through TEAS.
 - b. Hiding the Applicant's Physical Address. A training video shows how to give address information for an applicant. You can provide a post office box address as the only address that will be visible as a public record. You are also required to provide a domicile address (which must be a physical address); the training video says the domicile address will not be made public. Keeping that domicile address private would be a new development.

II. The Free Speech Clause of the First Amendment vs. Lanham Act.

A. Key Takeaways.

1. Section 2(c) Survives Constitutional Scrutiny. The Lanham Act section preventing the registration of the name of a living individual without that person's consent survived a constitutional challenge based upon the Free Speech Clause. The Supreme Court decision restricted the breadth of the holding to that particular clause of the Lanham Act, so the case sheds little light on how the Supreme Court would handle Free Speech Clause challenges to other statutory restrictions on mark registration and concerning liability for infringement or dilution.
2. Constitutional Challenge to Dilution Law. The Lanham Act prohibition on registering and using marks that dilute the famous marks of others,

particularly dilution by tarnishment, is being attacked as unconstitutional under the Free Speech Clause.

B. Background: Previous Cases Where Lanham Act Section 2(a) Mark Registration Restrictions Were Declared Unconstitutional on Free Speech Clause.

1. Section 2(a). Lanham Act section 2(a) prohibits registration of a mark that
 - a. “consists of or comprises immoral, deceptive, or scandalous matter; or
 - b. “matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or
 - c. “a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 3501(9) of title 19) enters into force with respect to the United States.”
2. Disparagement Prohibition Unconstitutional: *Matal v. Tam*, 137 U.S. 1744 (2017). The leader of the SLANTS sought registration for his band’s name, which the USPTO denied registration for under section 2(a). Section 2(a) prohibited registration of trademarks that may “disparage...or bring...into contempt or disrepute” any “persons, living or dead.” Without deciding whether trademarks constitute “commercial speech,” the Supreme Court held the “disparagement clause” unconstitutional because trademarks are private, not government speech, and “speech may not be banned on the ground that it expresses ideas that offend.” The court held this was unconstitutional viewpoint discrimination. The court did not need to decide the level of scrutiny required because the Court decided that the governmental interests for the disparagement clause could not meet any level of scrutiny.
3. Immoral or Scandalous Prohibition Unconstitutional: *Iancu v. Brunetti*, 139 U.S. 2294 (2019). Brunetti applied to register the mark FUCT for a clothing line, which the USPTO denied registration for under the “immoral or scandalous” provision of section 2(a). The Supreme Court held this provision unconstitutional, finding if a trademark registration bar is viewpoint-based, it is unconstitutional, and the disparagement bar was viewpoint-based.

C. The Supreme Court Upholds the Lanham Act Restriction on Registering Marks Containing the Name of a Living Individual – *Vidal v. Elster* (602 U.S. 286, June 13, 2024).

1. Key Takeaways.

- a. The Supreme Court held that the section of the Lanham Act that prevents the registration of the name of a living individual without that person’s consent (the “**Names Clause**”) does not violate the Free Speech Clause of the First Amendment.
- b. The Supreme Court limited the rationale of its opinion to the Names Clause, expressly noting that its analysis may not be applicable to any Free Speech Clause challenges to other registration restrictions in the Lanham Act.
- c. The Lanham Act contains other restrictions against the registration of certain other kinds of marks. This case doesn’t provide strong guidance regarding the constitutionality of those other restrictions.

2. The Applicable Statute – § 2(c) of the Lanham Act, 15 U.S.C. § 1052(c):

“No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it –

* * *

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.”

3. The Decisions Below, *In re Elster*, 26 F.4th 1328 (Fed. Cir. 2022). The applicant, Elster, applied to register the mark TRUMP TOO SMALL for various clothing items, such as T-shirts. The TTAB had ruled that the mark violates section 2(c) because it “comprises the name of [former] President Donald Trump without his written consent.” The TTAB also rejected the applicant’s First Amendment challenge against section 2(c).

a. Federal Circuit Reverses.

- i. The Federal Circuit reversed the TTAB’s decision and ruled that, as applied here, section 2(c) violates the First Amendment because the government does not have a substantial interest in “granting all public figures the power

to restrict trademarks constituting First Amendment expressions before they occur.” It held that this is so regardless of whether strict scrutiny or intermediate scrutiny applies to trademark registration restrictions.

- ii. The Federal Circuit held that “denying trademark registration ‘disfavors’ the speech being regulated.” It characterized such denial as “legally disadvantag[ing] the speech at issue here.”
- iii. The Federal Circuit rejected several arguments made by the government. It sidestepped the argument that trademark registration is a government subsidy, such that First Amendment scrutiny is not appropriate unless viewpoint discrimination is involved (which is not in this case here), although the Federal Circuit inferred its rejection of this argument. It rejected the argument that Lanham Act registration restrictions are a limited public forum. It held that First Amendment protection is not lost because the goods at issue were sold, making this a commercial situation. Even in a commercial situation, “there must be at least a substantial government interest in the restriction.”
- iv. The Federal Circuit was especially concerned about protecting free discussion of public affairs and public officials. It found that any interest in protecting the rights of privacy and publicity of public officials is overcome by protecting the right to free expression concerning them. “[T]he right of publicity cannot shield public figures from criticism.” There is an exception if the speech against the public official reaches the actual malice level.
- v. Elster challenged section 2(c) on First Amendment grounds only as the statutory provision was applied to him and did not challenge that provision on its face, so the Federal Circuit was limited to considering the as-applied challenge. Nevertheless, it noted their “overbreadth” concerns regarding the face of section 2(c). The court noted the language of section 2(c) “leaves the PTO no discretion to exempt trademarks that advance parody, criticism, commentary on matters of public importance, artistic transformation, or any other First Amendment interests. It effectively grants all public figures the power to restrict trademarks constituting First Amendment expression before they occur.” This is a hint that the Federal Circuit

would have struck down section 2(c) on its face if it had been given the opportunity.

b. Prior Litigation History.

i. The USPTO's Initial Refusal.

- (a) The examining attorney refused registration of the mark under section 2(a) on the ground that it comprises matter that may falsely suggest a connection with Donald Trump, and under section 2(c) on the ground that it comprises his name without his written consent.
- (b) Elster (the applicant) raised First Amendment concerns. The examiner disagreed that the registration bars restricted speech and that even if the speech was restricted, the restriction was permissible.

ii. Refusal Affirmed on Appeal to TTAB.

- (a) Elster appealed to the TTAB, arguing sections 2(a) and 2(c) are improper content-based restrictions on free speech because the strict scrutiny standard of “narrowly tailored to serve a compelling government interest” was not met.
- (b) The TTAB held that section 2(c) does not require a false association type analysis to make the mark unregistrable. A 2(c) refusal should occur even if the public would not think the public figure at issue is associated with the mark.
- (c) Without finding it necessary to reach the refusal under section 2(a), the TTAB affirmed the refusal under section 2(c) against Elster's constitutional challenge because, even if section 2(c) were subject to greater scrutiny, the statutory provision is narrowly tailored to accomplish the government's purposes of protecting consumers against source deception and protecting the right of privacy and publicity that a living person has in his or her identity.

- c. Commentary on the Federal Circuit Ruling.
 - i. Following the landmark precedents of *Tam* and *Brunetti*, this is the first case where an appellate court has found a viewpoint-neutral trademark law to be an unconstitutional regulation of expression.
 - ii. Case law has restricted the applicability of section 2(c). It is triggered only if the subject person is a celebrity (so well-known that the public would reasonably assume the name referenced is the celebrity) *or* is well-known in (publicly connected with) the field or market for which the mark is sought to be registered. This is measured at the time registration is sought, or if the mark is challenged in opposition, at the time of trial.
- 4. The Supreme Court's Ruling. The Supreme Court issued a fractured opinion, and the five-justice majority opinion is narrow.
 - a. The Majority Opinion. Justice Thomas wrote the majority opinion, which was joined by Justices Alito, Gorsuch, Roberts, and Kavanaugh, in all parts except for a part that critiqued the rationale of the concurring opinions. The Court noted that *Tam* and *Brunetti* held that viewpoint-based restrictions on trademark registration violate the Free Speech Clause. Until now, the Court had not decided whether content-based but viewpoint-neutral trademark registration restrictions violated that clause. The court decided that the “history and tradition” in English and United States trademark law concerning the trademark registrability of names is sufficient by itself to uphold this content-based but viewpoint-neutral trademark registration restriction. It thereby rejected the need to find any other basis supporting the constitutionality of this provision in section 2(c). (It calls this provision the “**Names Clause,**” which I believe is the first time the Court has given this name to this clause in the Lanham Act.).
 - b. The Majority's Ultimate Holding: “Our decision today is narrow. We do not set forth a comprehensive framework for judging whether all content-based but viewpoint-neutral trademark restrictions are constitutional. Nor do we suggest that an equivalent history and tradition is required to uphold every content-based trademark restriction. We hold only that history and tradition establish that the particular restriction before us, the names clause in §1052(c), does not violate the First Amendment. Although an occasion may arise when history and tradition cannot alone answer whether a trademark restriction violates the First Amendment, that

occasion is not today. In a future case, we can address the “distinct question” of whether “a viewpoint-neutral, content-based trademark restriction” is constitutional without “such a historical pedigree.”

- c. Fractured Court. While the Court agreed unanimously that the Names Clause is not unconstitutional under the Free Speech Clause, it was fractured as to the reason. Also, all justices agreed that the decision is narrow – that the rationale used to uphold the Names Clause might not apply to other content-based, but viewpoint-neutral trademark registration restrictions and that “history and tradition” may not suffice to address the constitutionality of other content-based but viewpoint-neutral trademark registration restrictions. The array of the majority opinion and concurring opinions show the Court’s deep division over using “history and tradition” to address issues of constitutionality, which test was recently put forth in a gun-control case, *New York State Rifle & Pistol Association, Inc. v. Bruen*, 597 U.S. 1 (2023). The Court’s three liberal justices (Kagan, Sotomayor, and Jackson) used their concurrences to attack *Bruen*. Also, Justice Sotomayor wrote in her concurrence that she believes that the government can impose viewpoint-neutral restrictions on “state-bestowed entitlements.” While the majority did not address that argument, conservative jurists are usually suspicious of categorizing government functions or outputs as “state-bestowed entitlements,” thereby giving the government more leeway and discretion.” Because the opinion is so fractured, this chart maps out which Justices endorsed which statements of law:

Opinion Part	Subject Matter	Author and Joiners
Majority I, II, and IV (The only parts with five votes)	I – Case history and background II.A – Recounts <i>Tam</i> and <i>Brunetti</i> – viewpoint-based restrictions are unconstitutional. Content-based but viewpoint-neutral trademark registration restrictions have been undecided until now. II.B – U.S. history and purpose of trademark law.	Thomas – author Alito Gorsuch Roberts Kavanaugh

	<p>II.C – U.S. case law “history and tradition” indicates that the Names Clause is compatible with the Free Speech Clause (FSC), which is all that is needed to reject the constitutional challenge.</p> <p>IV – Summary of the holding in this case: history and tradition lead to upholding the Names Clause. History and tradition might not suffice to uphold other content-based but viewpoint-neutral trademark registration restrictions.</p> <p>“Our decision today is narrow. We do not set forth a comprehensive framework for judging whether all content-based but viewpoint-neutral trademark restrictions are constitutional. Nor do we suggest that an equivalent history and tradition is required to uphold every content-based trademark restriction. We hold only that history and tradition establish that the particular restriction before us, the names clause in §1052(c), does not violate the First Amendment. Although an occasion may arise when history and tradition cannot alone answer whether a trademark restriction violates the First Amendment, that occasion is not today. In a future case, we can address the ‘distinct question’ [of] whether ‘a viewpoint-neutral, content-based trademark restriction’ is constitutional</p>	
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	without “such a historical pedigree.”	
Majority III	Critique of concurring opinions. Rejects a “reasonableness test” due to the Names Clause being content-based but viewpoint-neutral – not rejected as necessarily wrong, but unnecessary because history and tradition are all that is needed to decide the case.	Thomas – author Alito Gorsuch
Kavanaugh solo concurrence	“a viewpoint-neutral, content-based trademark restriction might well be constitutional even absent such a historical pedigree. We can address that distinct question as appropriate in a future case.”	Kavanaugh – author
Barrett concurrence	I – History shows no need to elevate content-based (not viewpoint discriminatory) <u>trademark</u> registration restrictions to heightened scrutiny. They are not presumptively unconstitutional (i.e., strict scrutiny should not apply). II – “Content-based criteria for trademark registration do not abridge the right to free speech so long as they reasonably relate to the preservation of the mark owner’s goodwill and the prevention of consumer confusion.”	Barrett – author Kagan Sotomayor Jackson
Barrett concurrence	III-A – Critiques the historical pedigree of the Names Clause as discussed by the majority. Casts doubt on legal history supporting the Names Clause but agrees with the majority that “the names clause helps to ensure that the proposed mark	Barrett - author

	functions as a source identifier and to guard against reputational consequences, serving trademark historical goals.”	
Barrett concurrence	III-B – Disagrees with the majority’s “choice to treat tradition as dispositive of the First Amendment issue.” She infers that a tradition in case law after the adoption of the First Amendment is not relevant to discerning the applicable meaning of the First Amendment here. She would instead just hold that the Names Clause “reflects trademark law’s historical rationale of identifying the source of goods.” She notes that, eventually, the Court will be confronted with challenges to other content-based trademark registration restrictions that don’t have the historical basis of the Names Clause, so the issue will arise again.	Barrett – author Kagan Sotomayor
Sotomayor concurrence	She shuns history and tradition as a way to analyze constitutionality. She argues that the parties didn’t fully brief the history and tradition related to the Names Clause. She uses this opportunity to criticize <i>Bruen</i> , the recent case that established the current history and tradition framework. “[W]ithholding benefits for content-based, viewpoint-neutral reasons does not violate the Free Speech Clause when the applied criteria are reasonable, and the scheme is	Sotomayor – author Kagan Jackson

	<p>necessarily content-based. That is the situation here. Content discrimination is an inescapable feature of the trademark system, and federal trademark registration only confers additional benefits on trademark holders. The denial of trademark registration is therefore consistent with the First Amendment if it turns on “reasonable, viewpoint-neutral content regulations.”</p> <p>In her view, denial of trademark registration does not prevent the use of the mark in commerce or the communication of the message of the mark.</p> <p>Addressed in passing: The Court’s liberals want to carve out the government’s ability to impose viewpoint-neutral restrictions on what it calls “state-bestowed entitlement[s].” The Court’s conservatives did not engage in this opinion on this issue, but they probably would be skeptical of giving the government more power by characterizing some of its functions as the proper realm of government to control with less scrutiny.</p>	
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5. Looking Ahead. There are other restrictions on or bars to trademark registration that may be challenged on Free Speech Clause grounds, such as:

- a. Possibly Content-Discriminatory but Viewpoint-Neutral Mark Registration Restrictions:²
 - i. Registration of certification marks – the Lanham Act states circumstances under which they can be canceled due to the conduct of the certification mark owner. 15 U.S.C. § 1064(5).
 - ii. Cancellation of the registration of a mark if used to misrepresent the source of the covered goods and services. 15 U.S.C. § 1064(3).
 - iii. Prohibition on the registration of marks that are merely descriptive, deceptively misdescriptive, primarily geographically descriptive, primarily geographically deceptively misdescriptive, surnames, and matter that is functional. 15 U.S.C. § 1052(e).
 - iv. The prohibition contained in section 2(b), which prohibits registration of a mark that “[c]onsists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.” 15 U.S.C. § 1052(b).
- b. Possibly Viewpoint-Discriminatory Provisions:
 - i. The portions of the Lanham Act that bar the use or registration of marks likely to cause dilution by blurring or tarnishment. These laws apply “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.” 15 U.S.C. § 1125(c).
 - (a) Bigger Stakes. The challenge to the anti-dilution statute is different than the Free Speech Clause challenges to Lanham Act provisions concerning disparaging terms, dirty words, and referencing living individuals. With dilution, not only is mark registration at issue, but dilution is a cause of action that can result in awarding damages against the mark user and issuing an injunction against use of

² Credit to Theodore H. Davis, Jr., and Ryan Kurtiak of Kilpatrick for coming up with most of this list of three content-discriminatory, but viewpoint-neutral trademark registration restrictions that might be challenged. We got the idea for including them in this outline from an article written by them describing the Supreme Court's holding in this case. <https://www.jdsupra.com/legalnews/vidal-v-elster-the-supreme-court-5592170/> (last visited June 18, 2024).

the mark. With the other free speech cases, only registration is at issue.

(b) Pending Case Challenging Constitutionality. The constitutionality of the anti-dilution provision of the Lanham Act is being tested in *VIP Products LLC v. Jack Daniel's Properties, Inc.*

(1) That case went to the Supreme Court. In 2023, the Supreme Court held that when an alleged infringer uses another's trademark to designate the source of its own goods, there is no special First Amendment defense. The Court found that defendant VIP Products used "BAD SPANIEL'S" to designate the source of its own goods, dog toys, by using the mark on a label to "identify and distinguish" its own toy. (In other words, it used the term as a mark.) Parody or not, the Court reasoned, such commercial use of another's trademark "falls within the heartland" of what trademark law is meant to protect against. In this ruling, the court rejected the use of the *Rogers* test when the term used by the defendant is a use as a mark. The *Rogers* test makes it difficult to attack unlicensed use of a mark when the use is for an artistic purpose.

(2) After the case was reversed and remanded by the Supreme Court, VIP Products argued for the first time that the anti-dilution statute is unconstitutional on Free Speech Clause grounds. The District Court did not make a finding as to whether VIP Products waived this constitutional challenge by not raising it earlier. It certified a question to the United States Attorney General as to whether dilution by tarnishment constitutes impermissible viewpoint discrimination and whether it violates the Free Speech Clause. In May 2024, the Attorney General's office filed a brief saying that the anti-dilution-by-tarnishment statute is viewpoint-neutral and constitutional. The District Court has not ruled on constitutionality.

- D. *In re Zajkowski*, USPTO serial no. 87554778 (TTAB, July 29, 2024). The TTAB affirmed the refusal to register the mark TRUMPINOCCHIO for various goods, including bumper stickers, posters, and shirts, on the ground that the mark comprises the use of the name of President Trump without his written consent. The applicant argued that the refusal violated the Free Speech Clause. The TTAB held that constitutional challenge was completely rejected in *Elster*. The applicant admitted that the applied-for mark referenced Donald Trump in part but argued that no reasonable person would assume there’s any business relationship between Donald Trump and the applied-for mark. The TTAB held that the prohibition of § 2(c) applies “regardless of whether there is a suggested connection.”
- E. Relevant Sections of McCarthy, TMEP, and TBMP.
1. McCarthy § 13:37.50 “First Amendment and the Lanham Act § 2(c) Registration Bar—Supreme Court decision of Vidal v. Elster.” [§ 13:37.50. First Amendment and the Lanham Act § 2\(c\) Registration Bar—Supreme Court decision of Vidal v. Elster, 2 McCarthy on Trademarks and Unfair Competition § 13:37.50 \(5th ed.\)](#)

III. Recent Evolution on When a Term or Phrase Fails to Function as a Mark and Cannot Be Registered.

- A. Key Takeaways.
1. General Policy. The USPTO will refuse to register as marks terms and phrases that are commonplace and do not function as a mark. It’s possible to register a merely informational term or phrase as a mark, but only if the public perceives it as pointing to a particular source of the goods/services.
 2. Two Bases on Which an Examining Attorney Can Reject Commonplace Messages. A recent TTAB precedential decision identified two ways in which an examining attorney can meet the burden of proving that a purportedly commonplace message fails to function as a mark – by showing it is a Marketplace-Specific Commonplace Term or a Non-Marketplace-Specific Commonplace Term. Your best bet for defeating a failure-to-function refusal is to attack the sufficiency of the examining attorney’s proof to meet the requirements of either of those prongs. Your best bet may be to show that the purportedly commonplace message does not express a “single, common sentiment” but, instead, has different meanings based on context and audience.
 3. Free Speech Clause Constitutionality Challenge Rejected. The Federal Circuit rejected a Free Speech Clause constitutionality challenge to the USPTO policy of rejecting applications to register commonplace messages as marks when they do not serve as source indicators.

4. Evidence Arising After Applicant’s First Use of Purported Mark is Relevant and Admissible. The TTAB held that evidence of commonplace use of a term or phrase after the applicant’s date of first use of its purported mark is relevant and admissible for considering how the public perceives the term or phrase – either as a commonplace message or, instead, as a source indicator.
- B. A Failure-to-Function Refusal May Be Defeatable When the Phrase Has Multiple Meanings – *In re Black Card LLC*, serial no. 2023 USPQ2d 1376 (TTAB 2023) (precedential). The examining attorney refused registration of the applicant’s mark FOLLOW THE LEADER on the grounds the mark was incapable of serving as a source indicator for a long list of services dealing with credit cards, traveling, and personal concierge services. The TTAB reversed the failure-to-function refusal because the phrase may convey different meanings in those contexts, and it does not have a commonly understood meaning applicable to the applicant’s services.
1. The TTAB’s Standard Regarding Source-Indication.
 - a. Consumer Perception Affects Registrability.
 - i. “If the evidence shows the proposed mark would not be perceived by consumers as identifying the source of the applied-for goods or services, it is not registrable. For example, evidence may show the proposed mark ‘is a common term or phrase that consumers of the services identified in the application are accustomed to seeing used by various sources to convey ordinary, familiar, or generally understood concepts or sentiments.’ ‘The more commonly a phrase is used, the less likely that the public will use it to identify only one source and the less likely that it will be recognized by purchasers as a service mark.’ ‘Where the evidence suggests that the ordinary consumer would take the words at their ordinary meaning rather than read into them some special meaning distinguishing services from similar services of others, then the words fail to function as a mark.’” (Cleaned up, emphasis added.)
 - ii. “Likewise, evidence that a phrase is used to convey a single, common sentiment or meaning across a variety of goods or services can support a finding that consumers will view the phrase as conveying that same sentiment or meaning regardless of the goods or services in connection with which it is used. When assessing such evidence, the focus is not only on common use of the phrase, but on

whether the various uses inform how the phrase would be perceived by consumers of the identified goods or services.” (Emphasis added.)

- iii. “The evidence must be ‘competent to suggest that upon encountering the applied for slogan prospective purchasers familiar with such widespread non-trademark use are unlikely to consider it to indicate the source of Applicant’s services.’” (Cleaned up.)
- b. Not Every Common Term or Phrase Warrants Refusal. The court emphasized that not every common term or phrase warrants the refusal based on failure-to-function grounds. The court then discussed how refusal is “strictly dependent on the evidence presented to show how consumers would perceive the proposed mark. In turn, the entirety of the evidence must show that the use of the phrase “cannot be attributed to a single source of the goods or services at issue.”
- c. Third Party Usage May Be Indicative. “Evidence of use of a phrase by third parties in connection with the particular goods or services at issue can support a finding that the phrase conveys a commonly understood sentiment and does not serve to signify source in relation to those goods or services.”
- d. Analysis: Case Provides a Roadmap to Attacking a Failure-to-Function Refusal. In the language emphasized above in quotations from the TTAB, the TTAB identifies the two ways in which an examining attorney may carry his burden of proving that the applied-for mark fails to function as a mark. Thus, the key to defeating a failure-to-function refusal is to show that the proof submitted by the examining attorney fails to meet either of the two options. To summarize, these are the two options available to the examining attorney:
 - i. Option #1. “[T]he proposed mark is a common term or phrase that consumers of the services **identified in the application** are accustomed to seeing used by various sources to convey ordinary, familiar, or generally understood concepts or sentiments.” (Cleaned up; emphasis added.)
 - (a) Let’s call this “Marketplace-Specific Commonplace Terms.” (Phrase coined by the authors of this outline, not the court.)

(b) Comment. Under this prong, note that the proof must be tied to the kind of goods/services claimed in the application. To satisfy this prong, the examining attorney must show use other than by the applicant of the phrase in conjunction with some or all of the goods/services claimed in the application in a way that reveals that the relevant public would understand the phrase to express ordinary sentiments, rather than the public perceiving the phrase as a mark. Thus, if the examining attorney submits no evidence regarding use of the phrase in conjunction with some or all of the goods/services claimed in the application, the examining attorney cannot satisfy this prong. Note that this prong does not require that the phrase have a “single, common sentiment or meaning,” unlike the prong below. Yet, perhaps such a singular meaning is likely to be the case when the phrase is commonly used for specific goods/services. The TTAB’s articulation of this prong did not foreclose the possibility that there must also be a singular meaning in such instances.

ii. Option #2. “[A] phrase is used to convey a **single, common sentiment or meaning across a variety of goods or services** can support a finding that consumers will view the phrase as conveying that same sentiment or meaning regardless of the goods or services in connection.”
(Emphasis added.)

(a) Let’s call this “**Non-Marketplace-Specific Commonplace Terms.**” (Phrase coined by the authors of this outline, not the court.)

(b) Comment. Unlike the first prong, with this prong, the proof submitted by the examining attorney is not tied to any particular goods/services. Here, the examining attorney has to show that the phrase has “a single, common sentiment” in its various usages, which can be proof that consumers will see that phrase as just conveying that sentiment and not as a source identifier. Thus, if the examining attorney is relying on this prong, you can defeat the examining attorney’s argument by showing that the phrase has multiple meanings in usage – that it doesn’t convey a “single, common sentiment.”

- iii. Summing It Up. This case shows that just because the term (or phrase) for which mark registration is sought is commonplace does not mean the term cannot function as a mark and, accordingly, cannot be registered. The examining attorney must do more than show commonplace usage. The two prongs available to the examining attorney each require more than that. Scrutinize the examining attorney's proof for compliance with one or both prongs (as appropriate) and consider submitting additional evidence that undercuts the examining attorney's case on the prong(s) the examining attorney utilizes.
2. Evidence Presented by the Examining Attorney: The trademark examining attorney refused registration under Trademark Act Sections 1, 2, 3, and 45, 15 U.S.C. §§ 1051-1053 and 1127. The examining attorney submitted Internet evidence of a dictionary entry, articles, blogs, company websites, consumer goods, and other materials showing use of the phrase "follow the leader" in the following contexts:
- a. as a children's game;
 - b. in business decision-making principles based on the actions of the market leader;
 - c. in business leadership principles;
 - d. in information regarding guided travel tours;
 - e. in government and political leadership;
 - f. in personal decision making;
 - g. in ornamental use on consumer items.; and
 - h. as the name of artwork.
- i. The Examining Attorney's Argument. "The evidence shows that the term or expression FOLLOW THE LEADER is commonly used to encourage customers to follow the leader in a particular field and conveys that the applicant is the leader in the services listed in the application and should be followed because of this alleged fact. Because consumers are accustomed to seeing FOLLOW THE LEADER commonly used in everyday speech by many different sources, they would not perceive

FOLLOW THE LEADER as a mark identifying the source of applicant's." (Cleaned up.)

ii. The TTAB's Response to Examining Attorney's Evidence.

(a) The Examining Attorney's Evidence Was Insufficient to Prove Functioning Incapability. "Although the evidence made of record by the Examining Attorney shows common use of FOLLOW THE LEADER in various contexts, it does not convince us that the phrase is incapable of functioning as a source identifier in the context of the services identified in the Application. The record need not necessarily include evidence of third-party use in connection with the specific services at issue for the evidence to support the failure to function refusal." (Cleaned up.)

(b) The Examining Attorney's Evidence Does Not Show a Commonly Understood Meaning. "The evidence as a whole does not demonstrate use for services or in contexts from which we may reasonably infer that FOLLOW THE LEADER has a commonly understood meaning applicable to Applicant's services that would render it incapable of being perceived as a source indicator for those services. Nor does the evidence here show that FOLLOW THE LEADER is a phrase used to convey a single, common sentiment or meaning across a variety of goods or services, such that consumers will view the phrase as conveying that same sentiment or meaning regardless of the goods or services in connection with which it is used." (Emphasis added.)

3. Evidence Presented by the Applicant.

- a. 10 registrations issued to third parties for the mark FOLLOW THE LEADER, which, besides one of the mark registrations, all had been canceled or allowed to expire.
- b. An article titled "Resources for learning English (/english-resources/)," listing idioms, proverbs, and expressions that are a part of everyday English, including their meanings and uses.

- c. 32 third-party allowed applications and issued registrations for marks comprising English idioms, including: LET THE GOOD TIMES ROLL, (IT'S A) PIECE OF CAKE, BETTER LATE THAN NEVER (two in Latin), HANG IN THERE, GET YOUR ACT TOGETHER, and LET'S ROLL; some of which had been abandoned, canceled or allowed to expire (as applicable).
 - i. The Applicant's Argument. "From the evidence made of record, Applicant argues that: (1) Applicant's proposed mark has no generalized informational message, (2) the USPTO's issuance of registrations for identical FOLLOW THE LEADER marks confirms that Applicant's proposed mark functions as a mark, (3) there is no blanket rule that commonly used phrases are not registrable, and (4) the failure-to-function refusal was premature because the Application was filed on an intent-to-use basis, and proof of how Applicant uses its mark has not yet been filed." (Cleaned up.)
- 4. Reversal of the Failure to Function Refusal. "From our review of the overall record, we are not convinced that FOLLOW THE LEADER is incapable of functioning as an indicator of the source of Applicant's services. The failure-to-function refusal, therefore, must be reversed."
- 5. Key Takeaway. This case shows the TTAB will not always hold that apparently common terms and phrases failed to function as a mark, and the holding depends upon the sufficiency of the evidence presented by the examining attorney. The TTAB outlined two different approaches (prongs) the examining attorney may utilize to support a failure-to-function refusal. Each approach requires something more than just showing that a term or phrase is commonplace.
- C. Informational Matter Must Function to Identify a Single Source for Trademark Rights – *In re GO & Associates, LLC*, appeal No. 2022-1961 (Fed. Cir. Nov. 14, 2023, re-designated as precedential, January 22, 2024). The applicant applied to register the mark EVERYBODY VS RACISM for tote bags, various clothing items, and for the services of "promoting public interest and awareness of the need for racial reconciliation and encouraging people to know their neighbor and then affect change in their own sphere of influence." The TTAB refused to register the mark, finding that the phrase failed to function as a source indicator. The appellate court concluded that the TTAB's determination was supported by substantial evidence.

1. Procedural History

- a. Evidence Presented by the Examining Attorney. The examining attorney cited “dozens” of examples of the mark being used in informational ways to convey an anti-racism sentiment. The examples included “evidence that the mark had been used by referees in the National Basketball Association; in titles of rap songs, podcasts, church sermons, and YouTube videos; and on various articles of clothing.”
- b. The Appellate Court’s Ruling.
- i. TTAB Validated. The primary significance of the Federal Circuit’s opinion is that it validated the analysis the TTAB uses in failure-to-function refusals concerning commonplace words and phrases.
- ii. The Two Prongs for Failure-To-Function Refusals. The Federal Circuit did not cite the TTAB precedential opinion above on the same issue – *In re Black Card LLC*. Yet, brief language in the Federal Circuit’s opinion identifies the same two prongs as options for showing failure-to-function when possible commonplace messages are concerned: (1) the applied-for term is commonly used on the type of goods/services that are the subject of the registration application, or (2) that the term is commonly used across a wide range of goods/services and has a single, commonly understood message. In this case, the Federal Circuit affirmed that the examining attorney had submitted sufficient evidence to satisfy each prong (although satisfying either prong would have been sufficient).
- iii. The Registrability of the Mark Depends on the Mark’s Ability to Distinguish the Applicant’s Goods. “The Lanham Act conditions the registrability of any mark on its ability to distinguish an applicant’s goods and services from those of others. In other words, it is a threshold requirement of registrability that the mark ‘identify and distinguish’ the goods and services of the applicant from those of others, as well as “indicate the source’ of those goods and services.” (Cleaned up.)
- iv. The Marketplace Use of the Mark Indicates Consumer Perception. “As we recently observed, ‘whether a proposed mark is a source identifier typically arises before us in the context of whether the proposed mark is descriptive under

15 U.S.C. § 1052(e). But the source identifier requirement is broader than just whether a proposed mark is generic or descriptive,’ and typically focuses on how the mark is used in the marketplace and how it is perceived by consumers.” (Cleaned up.)

- v. Constitutionality Argument Based on Free Speech Clause Rejected. The applicant argued that the refusal to register informational phrases as marks constituted “content-based discrimination... not justified by a compelling or substantial governmental interest.” The Federal Circuit rejected this argument. It held that there is no per se refusal to register marks that contain informational matter. It held that the issue is whether the purportedly informational matter functions as a source identifier. It cited several phrases that are merely informational but are registered as a mark because they point to a specific source, such as JUST DO IT (Nike), A DIAMOND IS FOREVER (DeBeers), and CAN YOU HEAR ME NOW? (Verizon.)

D. Can the USPTO Cite Evidence That Post-Dates an Applicant’s First Use to Prove the Applied-for Mark Fails to Function? – *In re Kirill’s Big Brain, LLC*, serial no. 97359799 (TTAB, May 22, 2024) (not precedential). The applicant applied to register the mark ASSHOLES LIVE FOREVER for "Online retail store services featuring clothing, jewelry, bags, gifts, home goods, hats, blankets, mugs, belts, branded gift bags, floor mats, keychains, novelty toys for playing jokes, and pillows." The Examining Attorney refused to register the mark, and the applicant appealed and requested reconsideration. The TTAB concluded that the phrase is used to convey a commonplace, informational message that consumers would not perceive as a source indicator.

- 1. The TTAB Does Not Require the Examining Attorney’s Evidence to Pre-Date the Mark at Issue. Some of the failure-to-function evidence submitted by the examining attorney consisted of uses of the phrase after the applicant’s date of first use of the purported mark. The TTAB rejected the applicant’s argument that such post-use evidence should be rejected. “The Board’s failure-to-function cases do not impose such a requirement, and they have invariably considered evidence of third-party use that post-dated use or the filing dates of the subject applications. As discussed above, the ‘critical inquiry in determining whether a proposed mark functions as a trademark is how the relevant public perceives it, and the public’s perception is not frozen as of the first use date.’” (Cleaned up.)

E. Relevant Sections of McCarthy, TMEP, and TBMP

1. McCarthy § 19:4.50 “Failure to function as a trademark.” § 19:4.50. Failure to function as a trademark, 2 McCarthy on Trademarks and Unfair Competition § 19:4.50 (5th ed.)
2. McCarthy § 3:5 “Informational and commonly used phrases” § 3:5. Informational and commonly used phrases, 1 McCarthy on Trademarks and Unfair Competition § 3:5 (5th ed.)
3. McCarthy § 7:23 “Slogans as marks – Common phrases used as a slogan.” § 7:23: Slogans as marks – Common phrases used as a slogan, 1 McCarthy on Trademarks and Unfair Competition § 7:23 (5th ed.)
4. TMEP § 1202.19(e) “Failure-to-Function Refusal – Mark Not Inherently Distinctive” § 1202.19(e): Failure-to-Function Refusal – Mark Not Inherently Distinctive, Trademark Manual of Examining Procedure
5. TMEP § 1202.04(b) “Widely Used Messages” § 1202.04(b): Widely Used Messages, Trademark Manual of Examining Procedure

IV. **Pitfalls to Avoid in Seeking Mark Registration Concerning Establishing Mark Use or an Intent To Use.**

- A. Be Sure to Document Your Bona Fide Intent for an Intent-To-Use Application.- *Fruit of the Loom, Inc. v. David Neal Sellers*, Opposition No. 91268870 (December 21, 2023) (not precedential). The pro se applicant filed the mark JUICY FRUIT for “t-shirt for adults.” The TTAB sustained an opposition against the mark, finding that the pro se applicant lacked a bona fide intent to use the mark for t-shirts at the time they filed the application.
1. Lack of Documentary Evidence at Time of Application Equals Prima Fascia Case. The opposer proved that the applicant did not have any documents or evidence that existed at the time the applicant filed its intent-to-use (“**ITU**”) application that showed the applicant’s intent to use in commerce is applied-for mark. The TTAB held that this lack of documentary evidence creates a presumption that the applicant did not have a bona fide intent to use the applied-for mark, which shifted the burden of proof on bona fide intent to use to the applicant.
 - a. How the Opposer Proved the Lack of Documentary Evidence. This case provides a roadmap for future litigants on how to establish that an applicant had a lack of bona fide intent to use the applied-

for mark at the time of application. The opposer accomplished this proof of lack of documentary evidence to the satisfaction of the TTAB by means of requests for admission that the applicant failed to answer in time, combined with the applicant stating in response to document requests that it did not have any of various kinds of documents.

- i. Requests for Admission. The opposer propounded requests for admissions as described below. The applicant did not respond in time, so these were deemed admitted by operation of law.
 - (a) “Applicant has not sold any of the goods listed in the Application bearing the Applicant’s [proposed] Mark;
 - (b) “Applicant has not disseminated any promotional materials that reference Applicant’s Mark;
 - (c) “Applicant has not disseminated documents to customers, prospective customers, trade organizations, or members of the press relating to Applicant’s use or intended use of Applicant’s Mark;
 - (d) “Applicant has no marketing or business plans evidencing his intent to use the Opposed Mark in connection with the goods listed in the Application;
 - (e) “Applicant has not established any customer or potential customer contacts for goods identified in the Application bearing the Opposed Mark;
 - (f) “Applicant has not hired or established any contacts with manufacturers for the manufacturer of goods identified in the Application bearing Applicant’s Mark;
 - (g) “Applicant has not hired any consultants or advertising or marketing agencies to advertise [the] goods identified in the Application bearing Applicant’s Mark.” (Cleaned up.)

- ii. Requests for Production of Documents. The applicant admitted they had no documents in the following categories:
 - (a) “Applicant’s decision to adopt and use Applicant’s mark, including any investigation or search related to his intended use of the mark;
 - (b) “Applicant’s decision to apply for registration of Applicant’s mark;
 - (c) “The first use or intended first use of Applicant’s mark;
 - (d) “Applicant’s business or marketing plans for the sale of goods in connection with Applicant’s mark;
 - (e) “Applicant’s advertising or contemplated advertising of goods in connection with Applicant’s mark and related actual or projected advertising expenditures
 - (f) “Each website, social media site or other online locations that display Applicant’s mark from January 20, 2020 to present;
 - (g) “Applicant’s consumers, intended consumers, and trade channels.” (Cleaned up.)
- iii. Additional Evidence. The opposer further established that the applicant admitted during discovery that “he has not hired any consulting or advertising agencies to advertise goods bearing the mark; has not disseminated any promotional materials that reference the Opposed Mark; and has not disseminated any documents to customers prospective customers, trade organizations or members of the press relating to [his] intended use of the Opposed Mark.”

- 2. Additional Factors Supporting Applicant’s Lack of Bona Fide Intent. The TTAB didn’t end its analysis with its holding that a prima facie case has been established and not rebutted. Presumably, the unrebutted prima facie case was enough to win the case – that’s what a prima facie case does. The TTAB went on to discuss other kinds of evidence that hypothetically might establish that the applicant had a bona fide intent even if the

applicant didn't produce documentary evidence of intent to use that was contemporaneous with the time of applying to register the mark.

- a. Post-Application Documentation. First, the TTAB said it's possible that documentary evidence coming into existence even "nine to eleven months" after the application's filing date could be probative of intent depending upon the details." But the applicant supplied no such evidence.
- b. Capacity to Market and Manufacture the Goods/Services at Issue. The TTAB also held that an applicant's proven "capacity to market and manufacture the goods identified in the application may support a finding that the applicant had the requisite bona fide intent to use." Here, about two and a half years after the filing of the application at issue, the applicant produced the kinds of goods claimed in its application (essentially T-shirts) under a different mark. The TTAB held that demonstrating such production capacity so long after the filing of the application at issue did not establish that the applicant had such capacity at the time it filed the application at issue.
- c. Effect of Concurrently Filed Application. Concurrently, while filing the application at issue, the applicant filed another application for a different mark for the same goods and services. Substantially later, the applicant went on to achieve registration of that mark and to sell goods/services under it. The TTAB held that a reasonable inference was that the applicant intended to use only one of the two marks for which it concurrently applied.
- d. An Idea for Developing a Mark is Insufficient. The applicant's primary argument in support of having a bona fide intent was that it had an "idea" at the time of applying for mark registration to sell the relevant goods under the applied-for mark. The TTAB held that merely having an idea to develop a mark and related goods/services is legally insufficient.

3. Key Takeaways.

- a. Strategy for ITU Applicants. An applicant applying to register a mark should contemporaneously create some documentation demonstrating the bona fide intent of the applicant to develop the

mark and the covered goods/services. This should go beyond merely having an idea to do so. If the applicant moves expeditiously to develop a mark and the covered goods/services after filing its ITU application, lack of bona fide intent shouldn't be a legal vulnerability for the applicant. This documentation is more likely to be needed if the applicant delays in moving forward with the related venture for a long time after applying.

- b. Strategy for Opposers. Conversely, a party opposing an ITU application on lack of bona fide intent to use the mark should use carefully crafted requests for admission and other written discovery requests to prove that the applicant has no such documentation and to try to foreclose other arguments that might establish a bona fide intent. The opposer may also need to take the oral discovery deposition of the applicant to nail down these issues. When the opposer has a strong case for lack of bona fide intent, it's usually the case that the applicant, in fact, had no intent to use the mark and may have applied to register it in order to leverage a settlement payoff from a party with valuable rights in a similar mark. If the opposer handles discovery well, it can get the TTAB to grant the opposition rather than the opposer having to pay off the applicant.

4. Relevant Sections of McCarthy, TMEP, and TBMP

- a. McCarthy § 19:14 “Intention to use – What is a bona fide intention to use? – Objective test of bona fide/good faith.” [§ 19:14 Intention to use – What is a bona fide intention to use? – Objective test of bona fide/good faith, 2 McCarthy on Trademarks and Unfair Competition § 19:14 \(5th ed.\)](#)
- b. TMEP § 1101 “Bona Fide Intention to Use the Mark In Commerce.” [§ 1101 Bona Fide Intention to Use the Mark In Commerce, Trademark Manual of Examining Procedure](#)
- c. TMEP § 901.02 “Bona Fide Use in the Ordinary Course of Trade” [§ 901.02 Bona Fide Use in the Ordinary Course of Trade, Trademark Manual of Examining Procedure](#)
- d. TMEP § 901 “Use in Commerce” [§ 901 Use in Commerce, Trademark Manual of Examining Procedure](#)

- B. Ensure Your Mark Is Actually in Use Before Filing a Section 1(a) Application. - Miss United States of America LLC, DBA United States of America Pageants v. Abundance Productions, LLC, cancellation no. 92071814 (TTAB, March 8, 2024) (not precedential). The TTAB granted a petition for cancellation of a registration for the mark MRS. COLORADO, finding that respondent Abundance Productions had not used the mark in commerce in connection with "Entertainment in the nature of beauty pageants" on or before the filing date of the underlying application. When an application for registration is submitted on a use basis (§ 1(a)), the applied-for mark must be in use in commerce on or before the application date; if it is not, any resulting registration is void ab initio.
1. Background Regarding the Respondent. "Emily Stark, Respondent's owner, is an independent contractor for the Mrs. America Pageant, and she produces the Mrs. Colorado Pageant. Ms. Stark 'took over the MRS. COLORADO directorship in 2008,' which includes production, finding participants, marketing, obtaining sponsorships, and finding community appearances for the pageant. She has "crowned one Colorado woman every year since 2008 with the title of 'Mrs. Colorado,' with the exception of the three years when her agreement with Mrs. Dampier had lapsed, during which time the winner was crowned as 'Mrs. Colorado America.'" (Cleaned up.)
 2. The Registration Was Assigned to Petitioner in 2008. "On October 15, 2008, Mrs. Colorado America, Inc. assigned the '786 Registration and its goodwill to Mrs. Patricia Dampier. Mrs. Dampier, who earned the MRS. COLORADO title in 1989, had operated the pageant under the MRS. COLORADO name since 1990." (Cleaned up.)
 3. The Petitioner Then Licensed the Registration to Respondent. "On January 12, 2009, Mrs. Dampier entered into an agreement to license use of the '786 Registration and other intellectual property to Respondent. Respondent, through its principal Ms. Stark, had been directing and producing the MRS. COLORADO pageant since 2008. Due to a disagreement between the parties, the license agreement was expressly terminated on April 20, 2015. The Termination Agreement, which included a \$5,000.00 "buy-out fee" of the non-competition and "listings" restrictions of the license agreement, also provided that Respondent could use certain intellectual property, including the '786 Registration, only for specific historical uses and wind-down activities." (Cleaned up.)

4. Petitioner’s Registration Was Cancelled in 2018. “The ’786 Registration, also referred to in this opinion as the “Prior Registration,” was canceled on February 16, 2018, for Mrs. Dampier’s failure to file declarations of use and renewal under Sections 8 and 9 of the Trademark Act, 15 U.S.C. §§ 1058 and 1059.”
5. Disagreement Between the Petitioner and Respondent Caused the Mark to Expire. “According to Ms. Stark, in the fall of 2017, ‘Mrs. Dampier wanted to give the trademark to my company,’ but the two women could not agree on some of the terms of that agreement, so Ms. Stark ‘chose to let Mrs. Dampier’s trademark expire and then file paperwork for the MRS. COLORADO mark.’” (Cleaned up.)
6. Respondent Files New Application. “Respondent filed a new application to register MRS. COLORADO for “Entertainment in the nature of beauty pageants,” claiming a date of first use in commerce and anywhere of June 2, 2008. The registration [was] issued on November 6, 2018.” (Cleaned up.)
7. Important TTAB Holdings – Key Takeaways.
 - a. Respondent’s Licensed Use of the Registration Was Not Its Own Rendering of the Services. The applicant tried to claim that its use of the mark at issue, under a license from a third party, qualified as its own use of the mark. The TTAB held that, in measuring when you began use of a mark, you cannot count your prior use of that mark under a license from a third party when the license agreement says the goodwill arising from the usage inures to the benefit of the licensor.
 - b. Use-Based Applications Require the Actual Rendering of Services as of the Application Date, Not Just Selling Tickets for or Advertising of the Services. Recall that the claimed services were beauty pageants. The TTAB held that selling tickets to the beauty pageants and advertising them did not constitute performance of the services. Performance of the pageants themselves had to commence in order for the services to be rendered, which must occur on or before the application date.
 - c. Laches Is Not Available as a Defense to a Cancellation Proceeding Contending the Registration is Void Ab Initio. The registrant

argued that the cancellation petitioner waited too long to seek cancellation and claimed this constituted laches barring the cancellation proceeding. The TTAB held that laches is not available as a defense to a cancellation petition that contends that a registration is void ab initio.

8. Relevant Sections of McCarthy, TMEP, and TBMP

- a. McCarthy § 19:103 “Nature of use necessary to support a service mark registration” [§ 19:103 Nature of Use Necessary to Support a Service Mark Registration, 2 McCarthy on Trademarks and Unfair Competition § 19:103 \(5th ed.\)](#)
- b. McCarthy § 19:109 “Nature of use necessary to support a trademark registration – Quantum of use necessary for federal registration: post-November 16, 1989 applications – A greater quantum of use is required” [§ 19:109 Nature of Use Necessary to Support a Trademark Registration – Quantum of Use Necessary for Federal Registration: Post-November 16, 1989 Applications – A Greater Quantum of Use is Required, 2 McCarthy on Trademarks and Unfair Competition § 19:109 \(5th ed.\)](#)

C. Does Use of a Mark by the Parent Company Inure to the Benefit of Its Subsidiary? - *DP Derm, LLC v. Derma Pen IP Holdings LLC*, Cancellation No. 92073045 (TTAB, April 3, 2024) (not precedential).

1. Mark Usage By Subsidiary Does Not Inure to the Benefit of the Parent. The facts of this case are complicated and not important to understanding the precedential value of the case. The ultimate noteworthy holding of the TTAB is that use of a mark by a parent company does not inure to the benefit of a subsidiary company that owns the mark registration. Consequently, use of the mark by the parent company does not count as use of the mark by the subsidiary company. In this case, because the subsidiary company never used the registered mark at issue and had no intent to do so, the TTAB granted the cancellation petition, thereby canceling the mark registration.
2. The Related Company Doctrine Is Limited. In the Lanham Act, there is the Related Company Doctrine. It holds that use of a mark by an entity controlled by the mark owner inures to the benefit of the mark owner. Because of that rule, if a parent owns a mark registration and a subsidiary under its control is the sole user of the mark, the subsidiary’s use benefits the parent by law, so the parent is effectively using the mark, which causes

the mark to not be abandoned. But the reverse is not true. A subsidiary does not control the actions of a parent company (at least not without some sort of corporate agreement granting such control, if that is possible). Thus, the Related Company Doctrine does not apply if the mark is used by the subsidiary but owned by the parent.

a. 15 U.S.C. § 1055. “Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public. If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.”

3. Three Years of Mark Nonusage Creates Presumption of Abandonment. Under the Lanham Act, if the mark registrant (or a party acting under the authority of the mark registrant) does not use the registered mark for three consecutive years, there arises a rebuttable presumption that usage of the mark has been abandoned. The registrant may rebut that presumption by proving a good excuse for nonuse during that three-year plus a bona fide intent to resume use of the mark within a reasonable time. That presumption was deployed by the TTAB in this case in its holding that the registrant (the subsidiary) abandoned the registered mark because the only mark usage was by the parent company.

a. 15 U.S.C. § 1127. “A mark shall be deemed to be “abandoned” if either of the following occurs: (1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. ‘Use’ of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.”

4. A Single Individual Controlling Both Entities Did Not Save Things. In this case, a single individual served as the sole managing member of the registrant (the subsidiary) and also as the sole manager of the parent company (the entity that used the mark). The TTAB gave a brief and

unclear analysis as to why this common control by a single individual did not suffice to establish that mark usage was under the de facto control of the mark owner (the subsidiary). The TTAB said that there was “no specific evidence as to how [this individual] ... as managing member of [the subsidiary] ... controls the nature and quality of the goods sold and marketed by [the parent company].” The TTAB provided no further analysis of why this common management by a single individual was not sufficient. Is it possible that this common management would have been sufficient if the individual signed an appropriately worded affidavit indicating that, in his role as sole manager of the mark owner (the subsidiary) and sole manager of the mark user (the parent), he licensed the parent company to use the mark on behalf of the subsidiary and exercised control of that mark usage on behalf of the subsidiary? We don’t know.

5. Use Intercorporate Mark License Agreements. This problem could have been easily avoided. There should have been a written mark license agreement in place between the subsidiary and the parent. Overall, whenever a mark will be used by any entity in a family of corporate affiliates other than the mark owner, there should be a written mark license agreement in place addressing and controlling that usage. Such an agreement can avoid the situation in this case. To be safe, don’t rely on the Related Company Doctrine. Put such a written agreement in place whenever the mark is used by any entity other than the mark owner, even if the mark owner itself also uses the mark. There are several benefits to doing this aside from avoiding unintentional mark abandonment due to a separation of ownership and usage.
6. Relevant Sections of McCarthy, TMEP, and TBMP
 - a. McCarthy § 16:37 “Ownership of a Mark as Between Parent and Subsidiary Corporations.” [§ 16:37 Ownership of a Mark as Between Parent and Subsidiary Corporations, McCarthy on Trademarks and Unfair Competition § 16:37 \(5th ed.\)](#)
 - b. TMEP § 1201.03 “Use by Related Companies” [§ 1201.03 Use by Related Companies, Trademark Manual of Examining Procedure](#)
 - c. TMEP § 1201.03(b) “Wholly Owned Related Companies” [§ 1201.03\(b\) Wholly Owned Related Companies, Trademark Manual of Examining Procedure](#)

- d. [McCarthy § 2.38 “Use by predecessor or by related companies.” § 2.38 Use By Predecessor or by Related Companies, a\) McCarthy on Trademarks Appendix 2.38 \(5th ed.\)](#)

D. Does Having a Website and Apps Accessible Worldwide Create Mark Rights Nationwide? - *UFirst Federal Credit Union v. University First Federal Credit Union*, case number 2:22-cv-00646 (D. Utah. September 27, 2023).

1. A Common Fact Pattern – Distant Business Using Same Name for Similar Goods/Services. What will your business do when an online-confusion disaster strikes? Let’s suppose your business operates locally or regionally, such as only in central Virginia. Out of the blue, you discover a business with roughly the same name that sells roughly the same goods or services operating in a distant part of the United States – California, perhaps. Call that other business your “online rival.” The online rival uses a website domain name similar to yours. Both businesses appear in Google search results, jostling for the top spot. Both businesses have mobile phone apps with similar names. Each shows up high in app store searches. The name similarity confuses some people. Sometimes, your customer service representatives get calls about problems meant for your online rival. Confused people get frustrated and post negative online reviews about your company. The similarity causes some people to invoice or pay the wrong company. Also, some other business paperwork is mistakenly sent to the wrong company.
2. What Happened in this Case. What I described isn’t hypothetical. It happened to a couple of credit unions: UFirst Federal Credit Union, which operates in upstate New York, and UFirst Credit Union, which operates in Salt Lake City, Utah. The credit unions started with different names. One was SUNY Plattsburgh Federal Credit Union, and the other was the University of Utah Employees Credit Union. Each changed its name to feature “UFIRST” to appeal to a broader marketplace and range of people. The New York credit union made the change in 2006, and the Utah one did so in 2022. When considering a name change, the Utah credit union discovered the New York credit union with a similar name but thought it was okay to proceed because the New York credit union had not applied for federal trademark registration for its UFIRST name. After the Utah credit union made a name change, all of the problems I described above broke out: butting up against each other in Google search results and app store listings, calls from customers to the wrong credit union, frustrated customers (which led to negative online reviews), and misrouted

payments, invoices, and other paperwork. Unfortunately, due to a recent court ruling, it appears the two credit unions must live with the confusion unless one or both change their names.

3. The Parties Litigated, and Neither Party Won Entirely.

- a. Senior Mark User Wins. Under trademark law, when two similar businesses use confusingly similar names, the senior user in a geographic marketplace has superior rights to use its name there, so the junior user can't use its name in that area.
- b. Injunctions Denied. The New York credit union (the first one to use the UFIRST name) sued the Utah credit union for trademark infringement to try to force it to change its name everywhere. The lawsuit failed. The federal trial court denied granting a nationwide injunction to the New York credit union. Prior to the Utah credit union changing its name, the New York credit union had a few customers in the Utah area because those people had moved from upstate New York to Utah. The court held that wasn't enough presence in the Utah marketplace to give the New York credit union dibs on using the name in Utah. The court also held that the Utah credit union chose its name in good faith because it wasn't trying to capitalize on the name of the far-away New York credit union. If the New York credit union could have proven that the Utah credit union had intended to try to capitalize on consumer recognition of the New York credit union's UFIRST name, then the Utah credit union might have been required to change its name in the future. The New York credit union then requested an injunction preventing the Utah credit union from doing business in eight northeastern states. The federal court rejected that request because the New York credit union didn't prove it had established its name and business throughout that territory.
- c. Key Holding – The Internet Is Not a Separate Geographic Territory. Importantly, the New York credit union argued that it should have the exclusive right to use the UFIRST name on the Internet because it launched a website and app using the UFIRST name before the Utah credit union. The New York credit union was hoping to prevent the Utah credit union from using its name on the Internet, which would have probably forced the Utah credit union to change its name. The court held that the Internet isn't a

separate geographic territory in which a party can monopolize the use of a trademark by getting there first. It held that trademark rights can be established only in physical geographic territories, and you do so by doing business in them – getting customers and sales. Accordingly, the court held that the parties must live with the confusion created by each credit union's Internet presence under the UFIRST name.

4. Lessons Learned – How Could This Have Been Avoided? What a mess! What could have been done to prevent this disaster from happening? Each credit union made mistakes and is suffering as a result.

a. Name Selection.

i. Don't Pick a Name Already In Use, Even Far Away. Don't pick a business name highly similar to one already used by another business in the same or similar industry, even if that business is geographically remote. The Utah credit union should not have chosen the UFIRST name after it saw the use by the New York credit union. While the Utah credit union didn't lose the lawsuit, some of its customers have been confused, and it may face limits on geographic expansion.

ii. Don't Pick A Conceptually Weak Mark. Also, don't pick a name that's generic, merely descriptive, commonplace, or likely to become commonplace. You can't have trademark rights in a generic name (such as "credit union"). You can't have trademark rights in a merely descriptive name unless you prove the public recognizes that name is referring to you. Geographic terms are merely descriptive. Thus, for example, you can't have trademark rights to the name "Richmond Credit Union" unless you can prove the public recognizes that as pointing to a specific credit union. In the case of this fight between the New York and Utah credit unions, the name "UFIRST" is fairly strong – it isn't generic or descriptive. In fact, it's pretty good because of the double entendre. It refers to the university-centered origin of each credit union and is phonetically equivalent to saying, "you first," which implies putting the customer first.

- iii. Don't Pick A Name Commonplace in Your Industry. But this sort of name might become commonplace in the banking industry, which frequently markets upon purporting to put the customer first. Banks are horrible about adopting essentially the same names. Many unrelated banks in different places have adopted names featuring words such as peoples, citizens, community, first, united, American, farmers, commerce, and liberty. In the Internet age, choosing such a name begs for problems and litigation. While the New York credit union created potential problems for itself by choosing a name likely to be adopted by other banks and credit unions, the Utah credit union made a bigger mistake by thinking it would have no problem with adopting essentially the same name in a different part of the country. It was foreseeable that there would be problems because of websites, online banking, and the possibility that the New York credit union would expand geographically.

- b. Seek Federal Mark Registration ASAP. Federal trademark registration does not create trademark rights; it only strengthens them. You can establish common-law trademark rights just by using your trademark in a geographic marketplace. But, you can obtain national trademark rights through a federal trademark registration. Doing so won't wipe out any common-law trademark rights others had before when you apply for registration, but it gives you senior trademark rights throughout the country for anything happening after the date on which you apply. The New York credit union should have applied for federal trademark registration as soon as it chose to adopt the UFIRST name. That would have given it first dibs on using the name in Utah and elsewhere before the Utah credit union chose the same name. If the New York credit union had gotten a federal trademark registration, by law, that would have put the Utah credit union on notice that it was choosing a problematic name. That would have helped the New York credit union in its legal battle.

- c. Immediately Implement Trademark Infringement Watching and Policing. The New York credit union should have not only sought immediate trademark registration once it adopted the UFIRST

name, but also immediately instituted a program of having a trademark lawyer watch for infringements and police them. Here, the New York credit union should have detected the adoption of an identical name by the Utah credit union as soon as it appeared in corporate or banking filings or on the Internet. It then should have immediately written to the Utah credit union warning it not to implement the matching name and outlining the potential legal consequences. If it had done so, the New York credit union might have been able to stop the Utah credit union from adopting an identical name unless and until the New York credit union established a customer base in Utah. However, the New York credit union could have taken steps to make the Utah credit union uncomfortable, which probably would have persuaded the Utah credit union not to use the UFIRST name.

- d. The Financial Pain of Poor Legal Decisions. As usual, the lawyers are the only winners in this sad tale. As the kids say, “Billable hours are undefeated.” The case finally ended in July 2024 after the New York credit union moved for voluntary dismissal of the case. Before then, the parties had expensive discovery fights after the preliminary injunction efforts were refused. Both parties continue to use the UFIRST name, so they certainly continue to suffer some confusion. I estimate each side spent about 35 times more money fighting this issue than it would’ve spent handling it right from the beginning. I reckon each side spent at least \$750,000 in legal fees and costs in the fight. On top of that, this litigation has been a huge time suck for each side’s management. In big-time litigation, management distraction is often more painful to a company than huge legal bills. Think of it this way: Paying for preventive trademark legal work is like buying strong locks and an alarm system. Skipping it is like paying to rebuild after a looting attack or three-alarm fire.

E. Relevant Sections of McCarthy, TMEP, and TBMP

1. McCarthy § 26:30.50 “Establishing a Territory Through Internet Usage” [§ 26:30.50, Establishing a Territory Through Internet Usage, 4 McCarthy on Trademarks and Unfair Competition § 26:30.50 \(5th ed.\)](#)
2. McCarthy § 26:27 “Defining the Territorial Zones of Trademark Protection” [§ 26:27 Defining the Territorial Zones of Trademark](#)

V. Latest Developments in the Effectiveness of Citing Third-Party Mark Registration and Use Evidence When Litigating Over Mark Registration Rights.

A. Key Takeaways.

1. The TTAB Has Been Ignoring an Important 2023 Federal Circuit Case Concerning the Evidentiary Value of Federal Mark Registrations. The Federal Circuit held in 2023 that (in a limited set of circumstances) marks that are federally registered are presumed to be in use. This issue comes up when a party submits third-party mark registration evidence, such as to show that the field around a mark at issue is crowded and, thus, that the mark's commercial strength is low. The Federal Circuit held that once a litigant submits third-party registration evidence into evidence (in a limited set of circumstances), the burden shifts to the other party to show that the marks covered by these registrations are not in use.
2. The TTAB Continues to Disparage Third-Party Registration Evidence Submitted by Parties other than Examining Attorneys. Frequently, an examining attorney will submit some evidence showing that two different kinds of goods/services commonly are sold by the same source under the same mark. The examining attorney does so in support of rejecting a mark-registration application based upon the registration of the same or similar mark for related but not identical goods/services. The applicant often responds by submitting extensive third-party registration evidence showing that the two different kinds of goods/services are commonly sold under the same mark by different parties. The TTAB routinely disparages and dismisses the evidence submitted by the applicant on these grounds: (1) the applicant did not prove that the marks that are subject of the third-party registrations are in use, (2) the applicant did not prove the commercial strength of the marks that are the subject of those third-party mark registrations, and (3) the applicant didn't submit evidence foreclosing the possibility of coexistence agreements explaining the use of the same mark by two different parties for the two different kinds of goods/services.
3. The TTAB Engages in Favoritism Toward Examining Attorneys. On several occasions, the TTAB has stated that it does not hold examining attorneys to a high standard of proof regarding third-party mark usage because examining attorneys have limited time to work on individual cases. The TTAB also will give some weight to third-party registration evidence submitted by examining attorneys without the examining attorney's proving that those marks are in use, even though it does not do the same regarding evidence submitted by applicants. (Yet, in such cases,

usually, the examining attorney has submitted website evidence showing other parties sell both kinds of goods/services at issue under the same mark, but this evidence is not for the same parties covered by the third-party registration evidence.)

4. Be Realistic and Submit Additional Proof. Accept that the TTAB will continue acting this way. See the practice pointers below on ways to strengthen your case regarding third-party mark uses and ways to attack evidence submitted by examining attorneys. Still, also consider preserving for appeal the issue outlined above regarding what evidentiary weight third-party registration should be given. Eventually, an appellant may win big on this issue in the Federal Circuit or even perhaps in the Supreme Court.

B. The Lanham Act and Evidence of Third-Party Registrations

1. 15 U.S.C. § 1052(d) - Trademarks Registrable on Principal Register; Concurrent Registration. “No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive” (Emphasis added.)
 - a. Takeaway. This section allows an examining attorney to cite prior registrations as a basis for refusing registration on the grounds of likelihood of confusion. The examining attorney is **not required** to prove actual use of the cited mark or demonstrate consumer recognition because the trademark registration itself is presumed valid based on its inclusion on the Principal Register. This presumption stems from the fact that a registration constitutes “prima facie evidence of the validity of the registered mark” (15 U.S.C. § 1057(b)).
2. 15 U.S.C. § 1057(b) – Certificates of Registration – Certificate as Prima Facie Evidence. “A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner’s ownership of the mark, and of the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated in the certificate.” (Emphasis added.)

- a. Takeaway: This section does not explicitly distinguish between the evidentiary value of registrations offered into evidence by USPTO examining attorneys and registrations offered by another party.
3. 15 U.S.C. § 1115(a) – Registration on Principal Register as Evidence of Exclusive Right to Use Mark; Defenses – Evidentiary Value; Defenses. “Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b), which might have been asserted if such mark had not been registered.” (Emphasis added.)
 - a. Takeaway. Note that the underlined language in this section is effectively identical to the language underlined in section 1057(b), quoted above. Again, note that the statutory language makes no distinction between registration evidence submitted by USPTO examining attorneys and registration evidence submitted by another party.
 4. Rhetorical Question. The above code U.S. Code sections provide the basis for an examining attorney to reject an application on a likelihood-of-confusion basis because of an existing registration of the same or a similar mark for the same or highly similar goods/services. Why do these code sections not require the same presumption that the marks at issue are in use for third-party registration evidence cited by litigants other than examining attorneys? Is the reason the difference between section 1052(d) and the other two sections quoted above?
- C. A Groundbreaking Case from Last Year: *Spireon Inc. v. Flex Ltd.*, 71 F.4th 1355, 2023 USPQ2d 737 (Fed. Cir. 2023) (“*Spireon*”).
1. Why *Spireon* is Important. This case held that, in a narrow set of circumstances, when a party submits third-party mark registration evidence, the TTAB is required to treat that registration evidence as proof that the marks at issue are in use unless the party opposing that evidence submits evidence that the marks are not in use. That holding is notable because the TTAB routinely disparages third-party mark-registration evidence submitted by litigants unless those registrations are coupled with

proof by the parties submitting them that the registered marks are, in fact, in use and have achieved consumer recognition.

2. Spireon's Third-Party Registration Evidence. Spireon was fighting an opposition filed by Flex Ltd. against *Spireon's* application to federally register the mark FL FLEX. Flex Ltd. owed federal mark registration for the marks FLEX (words only), FLEX (stylized), and FLEX PULSE (words only). Spireon submitted third-party registration evidence in an attempt to show that the marks owned by Flex Ltd. are so commercially weak that there would be no likelihood of confusion arising from *Spireon's* registration and use of the FLEX FL mark. The goods/services of the two parties were somewhat related but were not overlapping. The TTAB had criticized this third-party registration evidence for various reasons and ultimately held that it had no probative value. One of the criticisms made by the TTAB is that the applicant did not prove that any of the third-party registrations that were relevant to the issue of the strength of the opposer's mark were in use.
3. The TTAB's Commercial Strength Analysis of *Spireon's* Third-Party Registrations: In its analysis of commercial strength, the TTAB did not address any third-party registrations because the applicant did not provide any evidence to show that the marks were actually in use. The Federal Circuit took issue with this analysis in its appellate ruling.
 - a. The Position of the Parties Should Not Matter to the Law Made. In this case, the applicant was submitting third-party registration evidence. For that reason, the Federal Circuit speaks of the burden of proof of the "applicant" and the "opposer." Yet, it's best to read the Federal Circuit's comments as between the party submitting third-party registration evidence (in this case, the applicant) and the party disparaging the strength of that evidence (in this case, the opposer). The statements of law made by the Federal Circuit should apply equally even if it is the opposer (or a party petitioning for cancellation) that submits third-party registration evidence rather than the applicant (or party owning the registration for which cancellation is sought).
 - b. The Federal Circuit Raises an Important Question. The Federal Circuit began by noting that its prior case law has "assumed, without explicitly stating, that in connection with the analysis of commercial strength, the burden rests on the applicant to establish that the prior marks were actually in use." (Here, the applicant is the party submitting third-party registration evidence.) But the Federal Circuit then questioned whether that is a correct statement of law. It states: "While the applicant has a burden of producing evidence of relevant registrations, it may be that where the

applicant has introduced evidence of third-party registrations, the burden should rest on the opposer to establish non-use rather than on applicants to establish use of those third-party registrations. In other words, absent proof of non-use, use could be assumed.”

i. In short, the Federal Circuit raises the prospect that the opposer should bear the burden of showing that marks reflected in relevant third-party federal registrations are not in use. Logically, this burden would also apply to examining attorneys who reject registration applications.

c. Narrow Holding. The Federal Circuit then states it can decide a narrower question, finding that the parties in this case “appear to agree that registered marks may be considered in connection with commercial strength even where the opposer has produced no evidence of non-use. We need not decide the broader question of which party bears the burden of establishing non-use as a general matter.”

i. The Federal Circuit makes this narrower holding: “This case presents the far narrower question of whether the burden of showing non-use of identical marks for identical goods rests with the opposer. We think it necessarily does. Otherwise, the opposer would be able to dismiss the commercial significance of previously registered identical marks for identical goods where the opposer's own mark should perhaps have not been granted registration in the first place. *See i.am.symbolic*, 866 F.3d at 1315 (affirming the examining attorney's refusal to register an identical mark for the same or similar goods); *see also* 15 U.S.C. § 1057(b) (providing that a certificate of registration is prima facie evidence of an owner's right to use the mark).” (Emphasis added.)

ii. The Federal Circuit then held that the opposer failed to show that the third-party identical registered marks were not in use in the marketplace. It remanded the case to give the opposer the opportunity to make such a showing. It held that if the opposer fails to show registered-mark nonusage, the TTAB must consider the opposer's Marks to be commercially weak vis-à-vis the applicant's non-identical mark.

d. JBFC Comment: There is no logical reason for making only a narrower holding. In measuring commercial strength, there is no reason why the burden of proof should shift for showing that a

third-party registered mark is or is not in use based upon whether the third-party mark registrations are for identical marks or merely marks with relevant common elements. Previously in the opinion, the Federal Circuit noted that “In the likelihood of confusion analysis, the burden of establishing the strength of a mark falls on the trademark proprietor.”

i. Best Reading of Case Regarding Power of Registration When Measuring Commercial Mark Strength. Thus, this Federal Circuit opinion is best read as stating that, in cases where the commercial strength of the purportedly blocking mark is at issue, it is sufficient that the applicant submits evidence of live third-party registrations containing the common element of the applied-for mark and the registered mark(s) for the same or highly similar goods/services. It then is the burden of proof of the opposer (the mark owner) to refute that evidence by showing that the registered marks are, in fact, not in use. There are ways to argue that this holding does not apply in some circumstances, but you can also read it for the proposition that one must presume that a third-party registered mark is in use and, thus, it should be the burden of the examining attorney or party filing an opposition to show that submitted third-party registered marks are not in use. However, the TTAB has generally disregarded evidence submitted by rejected applicants of third-party registrations for similar marks on the ground that there is no proof those marks are in use.

4. The TTAB Has Ignored *Spireon* in Subsequent Rulings: Since the ruling’s debut on June 26, 2023, the TTAB and federal courts have cited the case 130 times. None of these citations discussed this specific issue. The cases below will show how examining attorneys and the TTAB have continued to ignore this ruling.

D. How Probative Are Third-Party Registrations Before the TTAB? *In re C&D Brewing Ventures, Inc.*, serial no. 88935220 (TTAB, March 26, 2024) (not precedential). The applicant applied to register the mark OTTO’s for “soda pops.” The USPTO refused registration based on the likelihood of confusion with the registered mark OTTO’S OATMEAL STOUT for “beer” [OATMEAL STOUT disclaimed]. On appeal, the applicant argued the marks differ in sound, appearance, and connotation, and offered 83 pairs of registrations to show that soda pop/soft drinks and beer are not related. The TTAB noted that the applicant did not submit any supporting evidence of any use of the marks and found that the applicant did not prove that consumers were aware that unrelated entities offer beer or soda under the same or similar marks.

1. Evidence Presented by the Examining Attorney.
 - a. 19 third-party registrations for both beer and soda under the same mark. The opinion does not reflect that the examining attorney showed that these marks are in use.
 - b. Website evidence of nine third parties offering beer and soda under the same or very similar marks.
 - c. Evidence Presented by the Applicant
 - i. 83 pairs of third-party registrations containing identical or nearly identical marks where one in the pair is registered for beer and the other for soda pop/soft drinks, and the registrations in each pair are owned by different owners. The applicant did not submit proof that these marks are in use.
 - (a) Applicant Argues The Case Is Akin to *In re Thor Tech, Inc.*, serial no. 85667188, 2015 WL 496133, (TTAB 2015). “Applicant compares this appeal to *In re Thor Tech, Inc.*, serial no. 85667188, 2015 WL 496133, (TTAB 2015) wherein the Board found that the applicant’s extensive evidence of third-party registrations for the same or very similar marks owned by different entities ... rebutted the “relevant, two third-party registrations made of record by the Trademark Examining Attorney,” The Board explained, based in part on this evidence, that it could not conclude that consumers would assume a common source for the goods.” (Cleaned up.)
 - d. The Board’s Response to the Applicant’s Evidence and Argument:
 - i. This Case Differs From *In re Thor Tech, Inc.*
 - (a) “Moreover, the record in *Thor Tech* differs substantially from the record in this appeal. The record in *Thor Tech* (1) included only two third-party registrations to show a relationship between the involved goods which were rebutted by dozens of sets of third-party registrations for the same or similar marks registered for the cited registrant’s goods on the one hand and the applicant’s goods on the other, owned by different entities; (2) did not establish overlapping channels of trade, and (3)

established that the applicant's and registrant's goods were expensive. That is in contrast to the Examining Attorney's evidence of twenty third-party registrations, Internet use and articles (as well as the overlap in trade channels and customers, discussed below) in this appeal, which we find, under the circumstances of this case, is sufficient to establish a relationship between beer and soda. The contrast with *Thor Tech* is further shown through beer and soda being frequently served in the same establishments and sold in the same retail outlets, and at much lower price points than automobiles, trucks, sport utility and recreational vehicles and motor homes."

- ii. The TTAB Criticizes the Applicant's Third-Party Registration Evidence. "[T]here is no supporting evidence of any use of any of the marks that comprise the pairs. Unlike in *Thor Tech*, the record here does not support a finding that consumers are aware that the involved goods are offered by unrelated entities under the same or similar marks. There is also an absence of proof, such as by declaration or submission of copies of the relevant file histories, that no licenses or coexistence agreements are in place between any of the paired registrants; or that they do not coexist because of limited geographic areas of actual use known to the owners of the involved registrations."
- iii. The TTAB Holds the Examining Attorney to a Lower Standard of Proof. In response to the applicant's argument that it submitted more third-party use evidence than the examining attorney, the TTAB held that examining attorneys are held to a lower standard of proof. "The Court of Appeals for the Federal Circuit and Trademark Trial and Appeal Board have long recognized that "the PTO is an agency of limited resources" for obtaining evidence when examining applications for registration; the practicalities of these limited resources are routinely taken into account when reviewing a trademark examining attorney's action. *In re Pacer Tech.*, 338 F.3d 1348, 1352 (Fed. Cir. 2003) (citations omitted); *see also In re Loew's Theatres, Inc.*, 769 F.2d 764, 768 (Fed. Cir. 1985)." The TTAB makes this kind of statement frequently when ruling in favor of examining attorneys and against applicants.

2. Key Takeaways.

- a. Inconsistent Treatment of Examining Attorney and Applicant. The TTAB considered the examining attorney’s third-party registration evidence without the examining attorney proving that the marks at issue were in use but did not extend the same consideration to the applicant’s third-party registration evidence.
- b. No Presumption Based Upon Registration. Regarding the applicant’s evidence, this case shows that the TTAB is ignoring the Federal Circuit’s ruling in *Spireon* by not presuming that the marks covered by third-party federal registrations are in use. Unlike *Spireon*, the TTAB here did not shift the burden to the examining attorney to demonstrate that the marks that are the subject of the third-party mark registrations submitted by the applicant are not in use.

E. Is an Applicant Essentially Required to Submit Additional Evidence With the Third-Party Registrations It Submits? *In re Lip Bar, Inc.*, serial no. 97546404 (TTAB, August 30, 2024) (not precedential). The applicant applied to register the mark CHEAT CODE for “mascara.” The USPTO refused registration based on the likelihood of confusion with the registered mark CHEAT CODES for, inter alia, various clothing items (including hats and shirts). The Board concluded that the examining attorney’s third-party evidence was sufficient to establish that mascara and clothing commonly originate from the same source under the same mark.

1. Evidence Presented by the Examining Attorney

- a. The examining attorney submitted six third-party registrations showing that the same entity has registered a single mark identifying at least mascara and clothing. The examining attorney also submitted 25 third-party registrations of marks identifying “makeup” or “cosmetics” and one or more of the specific clothing items listed in the registration at issue. The examining attorney did not submit any proof that these registered marks are in use.
- b. Ten third-party websites showing clothing companies use the same mark in connection with their own apparel and mascara.
 - i. Applicant’s Argument and TTAB’s Response to the Examining Attorney’s Evidence. The applicant argued that the Examining Attorney’s evidence was less probative because the Examining Attorney presented fewer third-party examples than the applicant. The Board disagreed and

held that the evidence showed that mascara and clothing were often offered by the same party under the same mark.

2. Evidence Presented by the Applicant

a. 100 pairs of third-party registrations showing that the USPTO has registered the same mark to different parties for the mascara and clothing.

i. TTAB's Response to the Third-Party Registrations Presented by the Applicant

(a) No Proof of Use Cited By The Applicant.

“Applicant offered no evidence showing the extent to which the marks in its registration pairs are actually used in commerce, or consumers’ familiarity with them. ‘[W]here the ‘record includes no evidence about the extent of [third-party] uses the probative value of this evidence is thus minimal.’ ‘But in the absence of any evidence showing the extent of use of any of the third-party registrations or whether any of them are now in use, they provide no basis for saying that the marks so registered have had, or may have, any effect at all on the public mind so as to have a bearing on likelihood of confusion. The purchasing public is not aware of registrations reposing in the Patent Office, and though they are relevant, in themselves they have little evidentiary value on the issue before us.’” (Cleaned up.)

(b) No Proof That Licenses or Coexistence Agreements Do Not Exist.

“There is also an absence of proof, such as by declaration or submission of copies of the relevant file histories, that no licenses or coexistence agreements are in place between any of the paired registrants; or that they do not coexist because of limited geographic areas of actual use known to the owners of the involved registrations.”

3. Takeaway. This case again shows the TTAB treating third-party registration evidence submitted by the applicant differently than the third-party registration evidence submitted by the examining attorney. As discussed, the TTAB almost chastises the applicant for not submitting evidence regarding proof of use but does not question the third-party registration evidence submitted by the examining attorney.

F. Practice Pointers.

1. You should expect that any third-party registration evidence you submit to the TTAB will cause it to disparage that evidence as outlined above. Accordingly, consider doing these things to strengthen the evidentiary power of your third-party registration evidence:
 - a. Bolster your third-party registration evidence with proof that the registered marks are in use.
 - b. If you can further bolster that evidence with some proof that the registered marks are widely recognized in a way that is cost-effective for your case, do that also.
 - c. Review the USPTO file histories for third-party registrations for any mention of consent agreements and submit a declaration that you have conducted such a review and found no evidence of consent agreements.
 - d. Accompany your third-party registration evidence with website evidence of other parties using the mark at issue in a way that supports your case. Don't rely solely on third-party registration evidence.
2. Your strongest attack, if available, will be to attack the strength of the case presented by the examining attorney. This issue will normally come up in the context of the examining attorney claiming that two different goods/services are commonly sold by the same mark. Criticize the strength of that evidence.
 - a. If the examining attorney submits third-party registration evidence, point out if the examining attorney failed to submit proof that such marks are in use.
 - b. If the examining attorney relies upon third-party website evidence:
 - i. Examine that evidence to see if the mark usage was cobranded with a house mark (such as TARGET or WALMART) such that the mark for the individual goods/services has less significance to the consumer.
 - ii. Is the retailer that operates the website a retailer that sells a large and wide variety of goods/services? For example, certainly ice coolers and mouthwash are not related goods even though large retailers such as Walmart probably sell both goods under a Walmart brand.

G. Relevant Sections of McCarthy, TMEP, and TBMP

1. McCarthy § 11:89 “Third-party registrations are not evidence of the strength or weakness of a mark.” [§ 11:89. Third-party registrations are not evidence of the strength or weakness of a mark, 1 McCarthy on Trademarks and Unfair Competition § 11:89 \(5th ed.\)](#)
2. McCarthy § 11:90 “Third-party registrations – Evidence of meaning of terms.” [§ 11:90. Third party registrations – Evidence of meaning of terms, 1 McCarthy on Trademarks and Unfair Competition § 11:90 \(5th ed.\)](#)
3. TMEP § 1207.01(d)(iii) “Third-Party Registrations and Evidence of Third-Party Use.” [§ 1207.01\(d\)\(iii\) “Third-Party Registrations and Evidence of Third-Party Use](#)

VI. **Attacking a Blocking Registration By Trying To Pare Back Its Goods/Services – When Does That Work?**

A. Key Takeaways.

1. Section 18 Motion to Restrict or Modify Goods/Services in Blocking Registration. When faced with a likelihood-of-confusion refusal of registration, sometimes you can remove the blockage by filing a motion under § 18 to restrict or modify the goods/services description in the blocking registration if you can prove that (i) the registrant is using its mark only as captured by the proposed restriction or modification, and (ii) restriction or modification would obviate the likelihood of confusion between the two marks.
2. Partial Cancellation of Blocking Registration Based Upon Abandonment. An alternative approach to removing the blockage is to seek partial cancellation of the blocking registration, seeking cancellation of goods/services for which mark usage has been abandoned. If you prove abandonment, you don’t have to prove that the deletion would obviate a likelihood of confusion. Proving abandonment is hard.

B. *Iron Balls International Ltd. v. Bull Creek Brewing, LLC*, Cancellation No. 92079099 (TTAB, June 4, 2024) (precedential).

1. Section 18 Motion to Amend and Narrow Goods/Services Description in Blocking Registration. This case concerns the circumstances under which a party can get the TTAB to amend and narrow the description of goods/services in a blocking mark registration application in order to allow the moving party to register an identical or similar mark for other goods/services, which would be done to achieve registration despite the

initially blocking mark. This procedure for restricting the goods/services of another registration is available under § 18 of the Trademark Act (15 U.S.C § 1068). The TTAB held that the party moving for making the amendment must plead and prove: “(1) that the registrant is not using its mark on goods or services that would be excluded by the limitation, and (2) that the limitation would result in the avoidance of a finding of a likelihood of confusion.” Here, the TTAB held that the party making the section 18 motion satisfied the first factor but didn’t satisfy the second factor, so the TTAB rejected the motion. In other words, the TTAB will not amend and narrow a registration even if the facts show that the amendment and narrowing are appropriate unless the party moving for the amendment would be able to achieve registration for its blocked application as a result of the amendment. Note this has the effect of leaving overbroad claims of goods/services in mark registrations. This case does not break new ground; it reestablishes the law from significantly older precedents. *See generally Eurostar v. “Euro-Star” Reitmoden GmbH & Co. KG*, 1995 WL 231387 (TTAB 1994).

2. Section 18 Motion Fails - Likelihood of Confusion Would Not Be Avoided. In this case, Iron Balls International sought to register the mark IRON BALLS ENGINEERED ALCOHOL plus design for gin. The USPTO trademark examining attorney rejected the application because of an existing registration of the mark IRON BALLS in words-only form for beer. The gin maker petitioned the TTAB to restrict the description of the goods in the mark registration owned by the beer maker from “beer” to “micro-brewed craft beer.” The gin maker persuaded the TTAB that the description narrowing was appropriate – that the beer maker sold only micro-brewed craft beer under its registered mark. But the gin maker failed to persuade the TTAB that this narrowing avoided the likelihood of confusion. The TTAB found there would be a likelihood of confusion even with the narrowing. For that reason, it rejected the section 18 petition of the gin maker and left the registration of the beer maker as reciting just “beer” as the claimed goods.
3. Issue Preclusion Side Issue. To get to the section 18 issue, the TTAB first had to consider an issue preclusion issue. There was a previous TTAB case concerning Iron Balls International seeking to register its mark for gin – the same mark of that entity that is at issue in this TTAB case. In the previous case, the examining attorney rejected the application for gin because of the existing registration for beer – the same blocking registration at issue in the current TTAB case. Iron Balls International appealed that issue to the TTAB and lost. In the current TTAB case, the registrant of the mark for beer argued that the previous TTAB case constituted issue preclusion and prevented the general maker from pursuing its section 18 motion. The TTAB held that, in principle, issue preclusion can be granted concerning a previous TTAB case even if that

case was an ex parte appeal of a registration refusal, meaning it was a case in which the party asserting issue preclusion was not a party. The TTAB also held that that sort of issue preclusion is possible when the previous ex parte case rejected registering a mark on likelihood-of-confusion grounds. Yet, in the present case, the TTAB held that issue preclusion did not dispose of the case. It found that issue preclusion was appropriate only for the first DuPont factor which considers the similarity of the applied-for and blocking marks. That is not meaningful preclusion, because the two marks are what they are. It held that the previous TTAB case did not consider whether there would be a likelihood of confusion between gin and micro-brewed craft beer because the previous ex parte refusal considered the latter goods to be broadly beer, not narrowly micro-brewed craft beer.

- a. Moral of the Story and Strategy Note. If you are faced with a section 2(d) (likelihood-of-confusion) refusal, this case illustrates that you can first fight the refusal in an ex parte appeal to the TTAB. If you lose, you probably can then try a section 18 motion to amend the goods/services description in the blocking registration in a separate TTAB case without suffering issue preclusion because of the first case. Yet, there are two downsides: First, issue preclusion is a painstaking analysis, so you might not be able to relitigate some issues you would like to address. Second, the TTAB affirms more than 90% of likelihood-of-confusion refusals in ex-parte appeals, so you might be wasting your money with the ex-parte appeal. Unless you feel you have an unusually strong ex parte appeal, consider going straight to the section 18 effort.

C. Relevant Sections of McCarthy, TMEP, and TBMP.

1. McCarthy § 20.44. “Partial cancellation and rectifying to register.” § 20:44. Partial cancellation and rectifying the register, 3 McCarthy on Trademarks and Unfair Competition § 20:44 (5th ed.) This section of McCarthy points out that there are two approaches to limiting the goods/services description in a blocking registration. The first one is outlined above: Modify the goods/services description of the blocking registration and prove that the modification will avoid a likelihood of confusion. The other approach is to make a claim for partial abandonment: Prove that the registrant has abandoned its mark for certain goods/services claimed in its registration. If you prove abandonment, that is a regular partial cancellation proceeding, so you need not prove that the partial cancellation would avoid a likelihood of confusion with your pending application. (But, almost certainly, the reason to pursue partial cancellation is to avoid a likelihood of confusion, so one is unlikely to pursue this remedy unless it will obviate a likelihood-of-confusion

refusal.) Yet, to show abandonment, you must show that the mark owner has ceased usage of the mark for the goods/services that are to be deleted with no intent to resume usage of the mark for those goods/services. Proving abandonment can be difficult.

2. TBMP § 309.03(d) “Remedy Under Trademark Act § 18, 15 U.S.C. § 1068 (Partial Opposition or Partial Cancellation)”
<https://tbmp.uspto.gov/RDMS/TBMP/current#/result/sec-02e6a6f4-8b48-4a85-be6a-f76fe158b70f.html?q=eurostar&ccb=on&ncb=off&icb=off&fcb=off&ver=current&syn=adj&results=compact&sort=relevance&cnt=10&index=1>
The section says the same thing as the McCarthy section, above, regarding the two different approaches to attacking a blocking registration. Also, this section says the two remedies described by McCarthy are available for registrations more than five years old; “incontestability” does not stop such a challenge.

VII. Settlement And Coexistence Agreements – How To Avoid Barring Your Future Mark Policing Efforts.

A. Key Takeaways.

1. Plan for Breach of Consent Agreements. When negotiating a consent agreement for a similar settlement agreement, expressly permit legal challenges to any related mark registration application or issued registration in the event of a relevant and material breach of the consent or settlement agreement. If you do not do so, you may not be able to use that breach to stop such an application or cancel such a registration.
2. Do Due Diligence before Entering into a Consent Agreement. Before entering into a consent agreement, do your due diligence. Expressly state in the agreement important representations made by the opposing party (and make them contractual promises). Also, investigate the truthfulness of those representations. If the representations proved to be false, you will not be able to use that falsity to stop the party that was given consent to use the mark from registering the mark. You might be able to attack that falsity in federal or state court based upon fraud in the inducement and then stop the application at issue or cancel the registration at issue, but that is a heavy lift.

- B. *BYLT Performance LLC v. BYLT, LLC, Oppositions Nos. 91274047 and 91276608 (TTAB, September 14, 2023) (not precedential).* The opposer attempted to stop the applicant’s applications to federally register the marks BYLT BASICS and BYLT PREMIUM BASICS, alleging a likelihood of confusion with its own registered mark, B.Y.L.T.. The parties previously had engaged in trademark-infringement litigation in federal court. They settled the

case with a written settlement agreement. One provision of the settlement agreement is that the opposer in this TTAB action would not oppose federal registration of the two marks of the applicant recited above, provided that the applicant expressly abandoned a different mark-registration application, which was for the mark BYLT standing alone. In fact, in that settlement agreement, the opposer in this TTAB case agreed to assist the applicant in pushing those applications to registration (if needed), provided that the applicant expressly abandoned the other application. Despite that agreement, in this TTAB case, the opposer opposed registration of the two marks for which it contractually promised to not oppose registration. The opposer argued there were two reasons why the settlement agreement should not contractually estop the opposer from maintaining the opposition to registration: (1) purportedly, there had been actual confusion between the opposer's mark and the applicant's applied-for marks, and (2) purportedly, the applicant had failed to comply with certain packaging requirements in the settlement agreement, which might be a material breach of that agreement. The TTAB granted partial summary judgment in favor of the applicant, thereby dismissing the opposer's opposition to the two registration applications that were given the green light by the settlement agreement. It held that any actual confusion or breach of packaging requirements did not overcome the express language of the agreement, which stated expressly that the only condition the applicant had to meet to move forward with these two registration applications to registration was to expressly abandon another application, which the applicant did. The court held that the contract was clear and unambiguous on that point.

1. Moral of the Story – Expressly Permit Legal Challenges to Registration When There Is a Breach of Settlement Contract. Be careful when negotiating a consent agreement or settlement agreement to make certain to provide comprehensive information about what happens if one party doesn't uphold its obligations therein. Because of not anticipating that problem in this case, the party lost its ability to oppose trademark registration applications that it should have been able to oppose due to a purported breach of the settlement agreement. Here, the opposer should have insisted upon language in the settlement agreement providing that any material breach of the agreement authorized the opposer to oppose the applications at issue or to seek to cancel any registrations resulting from those applications. Also, if the opposer wanted the ability to oppose the applications at issue or cancel any registrations resulting from them based upon the occurrence of actual confusion between the parties' marks, that also should have been stated expressly in the settlement agreement.

C. Tiarra Hamlett and Michael Hamlett Jr. v. Bronx Native composed of Giancarlos Martinez, Roselyn Grullon and Amaurys Grullon, Cancellation No. 92077944 (TTAB, February 7, 2024) (not precedential).

1. A Consent Agreement Can Be Used to Stop a Cancellation or Opposition Proceeding in the TTAB. This case concerned a petition to cancel the federal registration for mark BRONX NATIVE. The owners of that registration defended by pointing to a coexistence agreement between the petitioner and the respondent/mark-registration owner. The petitioner argued that the coexistence agreement should be rescinded because counsel for the respondent allegedly made material, fraudulent misrepresentations in the communications between petitioner and respondent prior to the execution of the coexistence agreement. The TTAB said it has the power to consider whether there is a coexistence agreement between the parties regarding the mark at issue and whether that agreement constitutes contractual estoppel of a petition to cancel (which principle would also apply to an opposition proceeding).
 - a. The opinion states: “Our primary reviewing court has made clear that the Board has authority to entertain an opposition to an application based on an agreement barring registration of the opposed mark and to entertain a defense that a prior agreement might either preclude a party from opposing an application or challenging a registration. *See Kimberly-Clark Corp. v. Fort Howard Paper Co.*, 772 F.2d 860, 227 USPQ 36, 38 (Fed. Cir. 1985) (“In the instant case, the issue is whether a mark otherwise entitled to registration is, nevertheless, barred therefrom by an agreement between the parties. We hold that this issue is within the jurisdiction of the board and may constitute an independent basis for sustaining the opposition apart from the issue of likelihood of confusion.”).”
2. You Cannot Litigate to Invalidate a Consent Agreement in the TTAB. But the TTAB also said it does not have the power to determine if the coexistence agreement has been breached or whether it is void for some reason, such as fraudulent inducement. “[T]he Board may consider and construe an agreement, or determine its validity, but may not entertain claims for enforcement or breach of the agreement.” “Claims for enforcement, breach, or rescission belong in courts of appropriate jurisdiction.” (JBF Comment – isn’t giving contractual estoppel effect to a consent agreement “enforcement”? Nevertheless, *Kimberly-Clark* makes clear the TTAB has the power to give such contractual estoppel.)
3. Moral of the Story – Do Your Due Diligence Prior to Entering into a Consent Agreement. Do your due diligence before entering into a consent agreement, because you will not be able to collaterally attack it in the

TTAB. On the flip side, you could draft language into the consent agreement to foreclose such a collateral attack on its validity (unless the court chooses to disregard such foreclosing terms – I’ve seen that disregarding happen.)

4. Side Note – Counsel for the Respondent Is In Trouble. The applicant’s counsel filed a brief chock full of inaccurate citations to cases and even fabricated some cases. While the opinion doesn’t say so, this likely resulted from the respondent using a generative AI to write a brief. The respondent said he found his cases he cited by means of Google searching and relying upon articles he found written by others discussing and quoting these cases, but did not read the cases themselves because he does not have online access to cases. (I wonder if counsel for the respondent is lying and such counsel used generative AI.) Yet, the applicant suffered no negative consequence other than having its brief thrown out, and the applicant still won (on contractual estoppel). I wonder if there will be any follow-up discipline from the USPTO’s ethics police, the Office of Enrollment and Discipline. In a footnote, the TTAB cited guidance issued by the USPTO Director on “party and practitioner misconduct related to the use of AI”:
https://www.uspto.gov/sites/default/files/documents/director_guidance_ai_use_legal_proceedings.pdf This memo says that one of the powers of the USPTO when a party submits false statements of law is to terminate the proceeding in which that occurs. While the USPTO struck the falsity-laden brief of the applicant, should it not have also considered whether to dismiss the applicant’s cancellation petition due to the falsity? The above USPTO memo led to a USPTO Federal Register notice: “Guidance on Use of Artificial Intelligence-Based Tools in Practice Before the United States Patent and Trademark Office.”
<https://www.federalregister.gov/documents/2024/04/11/2024-07629/guidance-on-use-of-artificial-intelligence-based-tools-in-practice-before-the-united-states-patent>

D. Relevant Sections of McCarthy, TMEP, and TBMP

1. McCarthy §18:80 “Consent to use agreements – Disputes between the contracting parties.” § 18:80. Consent to use agreements—Disputes between the contracting parties, 2 McCarthy on Trademarks and Unfair Competition § 18:80 (5th ed.). This section does not directly address the niche legal issues discussed in the cases above.
2. TBMP § 605.03(e) “Effect of Judgment Based Upon Agreement.”
https://tbmp.uspto.gov/RDMS/TBMP/current#/result/sec-e15a8a44-8aee-4a30-8e9c-f0edbe6c1a50.html?q=Kimberly-Clark&ccb=on&ncb=off&icb=off&fcb=off&ver=current&syn=adj&result_s=compact&sort=relevance&cnt=10&index=1

VIII. The Cutting Room Floor: Quick hits on other important developments.

- A. Can a Trademark Licensee Sue an Infringing Competitor for Unfair Competition When the Licensing Agreement Does Not Expressly Authorize It? *D.H. Pace Co. v. OGD Equip. Co.*, no. 22-10985 (11th Cir. Aug. 22, 2023).
1. Key Takeaway – A Nonexclusive Trademark Licensee Can Sue for Unfair Competition. In this case, the Eleventh Circuit held that a nonexclusive trademark licensee can sue for unfair competition in asserting a de facto trademark claim against a competitor. More specifically, the licensee can sue for false association under § 43(a) of the Lanham Act. The district court had ruled that the lack of a right-to-sue provision in the licensing agreement deprived the plaintiff of the ability to sue for unfair competition. The appellate court held that no such provision is necessary. On the other hand, the licensee could not sue for infringement because it is not an exclusive licensee.
- B. A Cancellation Proceeding Is Considered Moot if Filed During the Grace Period for a Registration’s Renewal if the Registrant Ultimately Fails to Renew by the End of the Grace Period. *Thomas C Taylor v. Motor Trend Group, LLC*, cancellation no. 92081731 (TTAB, September 8, 2023) (precedential).
1. What Happened. This case concerns when a registration expires because of nonrenewal and the interplay of such expiration with a cancellation proceeding. In this case, a registration was past its renewal window but in the six-month renewal grace period when a cancellation proceeding was filed. The registrant did not file for renewal during the grace period either. During the grace period, the petitioner filed its petition for cancellation based on abandonment. The TTAB issued a show cause order to the respondent demanding that it show cause as to why the registration should not be canceled with prejudice because of the cancellation proceeding. After a briefing from both sides, the TTAB decided that the cancellation proceeding was moot because the registration expired due to non-renewal.
 2. Key Takeaways – File Cancellation Proceeding Before Registration Renewal Grace Period Begins. Here's the trick: even though you have a grace period, if you don't file during the grace period, your registration is deemed to have died at the end of the renewal window, not counting the grace period. For that reason, the TTAB held that the cancellation proceeding became moot. On the other hand, if the cancellation was filed

before the grace period, and if the registrant later failed to renew, then the cancellation proceeding would not have become moot, so the registrant would have the choice of fighting the cancellation or allowing the registration to lapse. Such a lapse would be with prejudice. There is a TTAB ruling on that issue discussed in the opinion. The TTAB says that the purpose of the rule is to prevent parties faced with a cancellation proceeding from failing to renew their registrations in order to avoid judgment with prejudice. The practice pointer here is that if you are going to petition for cancellation, get that filed before the renewal window closes and the grace period begins, so you can get judgment with prejudice if the registrant does not respond to the cancellation proceeding and does not renew its registration. That cancellation with prejudice could have helped claim preclusion or issue preclusion benefits down the road.

- C. What is the Standard for Proving Fraud, and Can a Fraudulent Section 15 Affidavit Lead to Cancellation Under Section 14? *Great Concepts, LLC v. Chutter, Inc.*, 2023 USPQ2d 1215 (Fed. Cir. 2023).
1. What Happened at the TTAB. Chutter, Inc. sought to cancel Great Concepts, LLC's, registration for the mark DANTANNA'S on the grounds of fraud. Chutter alleged that Great Concepts knowingly made a false statement in a declaration to the USPTO when filing an incontestability declaration (a § 15 declaration) as a part of renewing its federal mark registration, namely, claiming that there were no pending proceedings against the mark when there were, in fact, two. The cancellation plaintiff successfully argued that the defendant's actions demonstrated reckless disregard for the truth. Fraud requires an intent to deceive, and the Federal Circuit had left open the question of whether reckless disregard of the truth or falsity of a material statement made in a filing with the USPTO satisfies the intent-to-deceive requirement. The TTAB held, as a matter of law, that reckless disregard satisfies the requisite intent for fraud on the USPTO in trademark matters and granted the petition to cancel the defendant's trademark registration on the grounds of fraud.
 2. What Happened at the Federal Circuit. The Federal Circuit reversed the TTAB's decision to grant cancellation, ruling that cancellation is not available as a remedy for a fraudulent section 15 incontestability declaration. The Federal Circuit focused on the language of section 14 of the Trademark Act, which addresses cancellation and does not include fraud in connection with an incontestability declaration as a basis for

cancellation. The majority opinion dismissed the dissent’s concerns that their ruling would encourage fraud, stating that the TTAB still has mechanisms to deter fraudulent conduct.

3. Key Takeaways.

- a. Reckless disregard for the truth is sufficient to constitute fraud, which may result in cancellation of a registration if it relates to the original registration application and probably if it relates to maintaining (renewing) the registration.
- b. Committing fraud in conjunction with a section 15 incontestability affidavit does not qualify as a basis for canceling the registration.

D. Does a Federal District Court Have the Power to Adjudicate Federal Mark Registration Applications? *BBK Tobacco & Foods LLC d/b/a HGI v. Central Coast Agriculture, Inc.*, appeals nos. 22-16190 and 16281 (9th Cir., April 2, 2024).

1. Key Takeaway. Before this ruling, courts held that section 37 of the Lanham Act does not give courts the general power to prevent pending applications from becoming registrations. In this case, the appellate court ruled that the district courts have subject matter jurisdiction to adjudicate challenges to trademark applications in lawsuits raising broader trademark issues. Specifically, it is possible to seek rejection of a pending mark-registration application if that claim is part of a broader trademark litigation, such as a party alleging infringement or seeking a declaratory judgment of no infringement. This was a split decision, with a dissent arguing that federal courts do not have the power to invalidate pending mark-registration applications even though they have the power to cancel existing registrations.

E. The First DuPont Factor in a Likelihood-of-Confusion Analysis Is to Be Given Heavy Weight. / The Beginning of Compared Marks Deserves More Emphasis. *Naterra International, Inc. v. Samah Bensalem*, 2024 USPQ2d 293 (Fed. Cir. 2024) (precedential).

1. Key Takeaways. The first *DuPont* factor in a likelihood-of-confusion analysis – the similarity of the marks – should be given “heavy” weight in a likelihood-of-confusion analysis. Also, when comparing the similarity of

marks, the beginning of the compared marks deserves more emphasis, especially when the beginning is not generic or merely descriptive.

F. Can a Party Submit Third-Party-Use Evidence of Genericness That Predates the Other Party’s Registration(s) by More Than Five Years? *Gibson Inc. v. Armadillo Distribution Enterprises Inc.*, No. 22-40587 (5th Cir. July 8, 2024).

1. Key Takeaway. This case concerned (in part) whether federal mark registrations can be canceled on the basis that the registered marks were generic before they were registered when the genericness challenge was made more than five years after the mark registrations were issued. The appellate court held such cancellation is legally possible. Specifically, it held that the incontestability sections of the Lanham Act (15 U.S.C. §§ 1064, 1065(4)) do not preclude basing a cancellation claim on evidence of genericness before mark registration.

IX. Periscope: Big Case to Watch.

A. Can An Award of the “Defendant’s Profits” Under the Lanham Act, 15 U.S.C. § 1117(a) Include an Order for the Defendant to Disgorge the Distinct Profits of Legally Separate Non-Party Corporate Affiliates? *Dewberry Group Inc. v. Dewberry Engineers Inc.*, case number 23-900 (U.S. Supreme Court granted certiorari).

1. What Happened. The case is an appeal of long-running trademark infringement litigation brought by Dewberry Engineers, Inc. against Dewberry Group. Dewberry Engineers won the infringement case, which included a permanent injunction and substantial monetary damages. The Supreme Court agreed to consider whether an award of monetary damages for mark infringement may take into consideration the profits of legally separate, non-party corporate affiliates, which is what the District Court did in calculating damages. The damages awarded to Dewberry Engineers in the District Court were over \$30 million. In its petition for writ of certiorari, Dewberry Group argued that the Fourth Circuit’s holding did not align with previous decisions from the Ninth and Eleventh Circuits and violates the “strong presumption that corporate affiliates are treated as separate corporate entities.” The Supreme Court agreed to hear this issue in June 2024, and arguments are scheduled for the Court’s 2024-2025 term, although the month of oral argument has not yet been set.

2. Key Takeaway. The outcome of this case will heighten or chill the power of a court to use equitable discretion when calculating an award for the disgorgement of an infringer's profits. This ruling could give courts the discretion to increase profit awards by considering the revenues received by an infringer's related entities regardless of whether those related entities are parties to the suit or whether the corporate veil was pierced. This could increase the potential damages available to trademark holders in infringement cases while reducing corporations' ability to shelter assets from liability via splitting the enterprise into multiple corporate entities.

3. Additional Source:
 - a. 15 U.S. Code § 1117 - Recovery for violation of rights. [15 U.S. Code § 1117 - Recovery for violation of rights](#)

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